

# HECEVED

DEC 3 0 2009

PUBLIC SERVICE COMMISSION

December 29, 2009

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, Ky 40602-0615

RE: Case No. 2009-00410

Dear Mr. Derouen:

Enclosed is an original and ten (10) copies of Shelby Energy Cooperative's rate application in Case No. 2009-00410.

Should you have any questions, please let us know.

Sincerely,

Debbie Martin
President & CEO

Copy to:

Office of Attorney General Utility Intervention and Rate Division 1024 Capital Center Drive Frankfort, KY 40601



Your Touchstone Energy® Partner

# **APPLICATION**

# COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF ADJUSTMENT OF RATES OF SHELBY ENERGY COOPERATIVE, INC.

CASE NO. 2009-00410

RECEIVED

# COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

DEC \$ 0 2009

PUBLIC SERVICE

COMMISSION

| In the Matter of Adjustment of Rates | ) |
|--------------------------------------|---|
| for Shelby Energy Cooperative, Inc.  | ) |

Case No. 2009-00410

### **APPLICATION**

Shelby Energy Cooperative, Inc. (herein designated as "Shelby") hereby makes application to the Kentucky Public Service Commission (herein designated as "Commission") for an adjustment of rates, as follows:

- 1. Shelby informs the commission that it is engaged in the business of operation of a retail electric distributions system in portions of ten (10) counties in north central Kentucky and does hereby propose to adjust rates, effective February 1, 2010, in conformity with this Application.
- 2. The name and post office address of the applicant is Shelby Energy Cooperative, Inc., 620 Old Finchville Road, Shelbyville, Kentucky, 40065 [807 KAR 5:001, Section 8(1)].
- 3. The Articles of Incorporation and all amendments thereto for Shelby were filed with the Commission in PSC Case No. 97-231, for a flow through rate reduction. [807 KAR 5:001, Section 8(3) and Section 10(1)(b)3].
- 4. The application is supported by a twelve month historical test period ending July 31, 2009 and includes adjustments for known and measurable changes [807 KAR 5:001, Section 10(1)(a)].
- 5. The reasons the rate adjustment is required pursuant to 807 KAR Section 10(1)(a)(1) are as follows:
- a. Shelby last filed an increase in rates during 1983. Since then, Shelby has incurred increases in the cost of power, materials, equipment, labor, taxes, interest, debt service and other fixed and variable costs. Shelby has been required to borrow funds to finance its construction projects.
- b. As a result of the costs increases listed above, Shelby's financial condition has deteriorated over the past few years.
- c. Shelby had a Times Interest Earned Ratio (TIER) of 1.34 [a TIER of 1.13 excluding G&T capital credits], for the test year ending July 31, 2009. The TIER was 0.84 for calendar

year of 2008 (excluding G&T capital credits). Shelby is required under its mortgage agreement of maintain an operating TIER of 1.25, based on an average of two of the three most current years.

- d. Shelby requires this rate adjustment to meet the terms of the mortgage agreement and to maintain its financial stability and integrity.
- e. The Board of Directors of Shelby at its meeting on December 15, 2009, received the current financial condition of Shelby and the need for a rate adjustment to maintain the financial stability and integrity of the Cooperative. The Board of Directors adopted a resolution directing the administrative staff and consultants to proceed with the necessary application and filings with the Public Service Commission to adjust the rates of Shelby. A copy of the resolution is attached as Exhibit F.
- 6. Annual reports, including the most recent calendar year, are on file with the Commission in accordance with 807 KAR 5:006, Section 3(1) [807 KAR 5:001, Section 10(1)(a)2].
  - 7. Shelby is not a limited partnership [807 KAR 5:001, Section 10(1)(b) 4].
- 8. Shelby files with this application a Certificate of Good Standing dates within 60 days of the date of this application and attached as Exhibit A. [807 KAR 5:001, Section 10(b)5].
- 9. Shelby does not conduct business under an assumed name [807 KAR 5:001, Section 10(1)(b)6].
- 10. The proposed tariff is attached as Exhibit B in a form that complies with 807 KAR 5:001 with an effective date not less than 30 days from the date of this application [807 KAR 5:001, Section 10(1)(b)7].
- 11. The proposed tariff changes, identified in compliance with 807 KAR 5:001, are shown by providing the present and proposed tariffs in comparative form on the same sheet, side by side, or on facing sheets, side by side, as Exhibit C [807 KAR 5:001, Section 10(1)(b)8].
- 12. Shelby has given notice to its members of the filing of this application in accordance with 807 KAR 5:001, Sections 10(3) and 10(4). Included in this notice is all of the information required by 807 KAR 5:001, Section 10(3)(a-c and e-h). A copy of the notice is attached as Exhibit D [807 KAR 5:001, Section 10(1)(b)9].
- 13. Shelby filed with the Commission a written notice of intent to file a rate application at least four (4) weeks prior to filing this application. The notice of intent stated the rate application would be supported by a historical test period and was served upon the Attorney General, Utility Intervention and Rate Division is shown as Exhibit E [807 KAR 5:001, Section 10(2)].

- 14. A complete description and qualified explanation for all proposed adjustments with proper support for any proposed changes in price or activity levels, and any other factors which may affect the adjustment, including a Revenue Analysis shown as Exhibit G [807 KAR 5:001, Section (10)(6)(a)].
- 15. The prepared testimony of each witness supporting the application are attached as Exhibits H [807 KAR 5:001, Section 10(6)(b)].
- 16. A statement estimating the effect the new rates will have upon the revenues of Shelby, including, at a minimum, the total amount of revenues resulting from the increase or decrease and the percentage of the increases or decreases and the percentage of the increase or decrease is shown by Exhibit G [807 KAR 5:001, Section 10(6)(d)].
- 17. The effect upon the average bill for each customer classification to which the proposed rate change will apply is shown by Exhibits I and J [807 KAR 5:001, Section 10(6)(e)].
- 18. An analysis of customers' bills in such detail that revenues from present and proposed rates can be readily determined for each customer class is shown by Exhibit J [807 KAR 5:001, Section 10(6)(g)].
- 19. A summary of the Cooperative's determination of its revenue requirements based on return on net investment rate base, return on capitalization, interest coverage, debt service coverage or operating ratio, with supporting schedules is shown by Exhibit K [ 807 KAR 5:001, Section 10(6)(h)].
- 20. A reconciliation of the rate base and capital used to determine its revenue requirements is shown by Exhibit L [807 KAR 5:001, Section 10(6)(i)].
- 21. A current chart of accounts is shown by Exhibit M [807 KAR 5:001, Section 10(6)(j)].
- 22. The independent auditor's report is attached as Exhibit N [807 KAR 5:001, Section 10(6)(k)].
- 23. The Federal Energy Regulatory Commission or Federal Communications Commission have not audited Shelby and no audit reports exist [807 KAR 5:001, Section 10(6)(1)].
- 24. No Federal Energy Regulatory Commission Form 1 exists as to Shelby [807 KAR 5:001, Section 10(6)(m)].
- 25. Shelby has never had a depreciation study preformed. [807 KAR 5:001, Section 10(6)(n)].

- 26. A list of commercially available or in-house developed computer software, programs, and models used in the development of the schedules and work papers associated with the filing of this application are attached as Exhibit O [807 KAR 5:001, Section 10(6)(o)].
- 27. No stock or bond offerings have been made by Shelby [807 KAR 5:001, Section 10(6)(p)].
- 28. Annual Reports to members for 2009 and 2008 are attached as Exhibit P [807 KAR 5:001, Section 10(6)(q)].
- 29. The monthly managerial reports providing financial results of operations for the twelve (12) months in the test period are attached as Exhibit Q [807 KAR 5:001, Section 10(6)(r)].
- 30. No Securities and Exchange Commission Annual Reports exist as to Shelby because it is not regulated by that regulated body [807 KAR 5:001, Section 10(6)(s)].
- 31. Shelby had no amounts charged or allocated to it by an affiliate or general or home office and did not pay monies to an affiliate or general or home office during the test period or during the previous three (3) calendar years [807 KAR 5:001, Section 10(6)(t)].
- 32. A cost of service study based on a methodology generally accepted within the electric industry and based on current and reliable data for the test period is attached as Exhibit R [807 KAR 5:001, Section 10(6)(u)].
  - 33. Shelby is not a Local Exchange Carrier. [807 KAR 5:001, Section 10(6)(v)]
- 34. A detailed income statement and balance sheet reflecting the impact of all proposed adjustments is attached as Exhibit S [807 KAR 5:001, Section 10(7)(a)].
- 35. No "proposed pro forma adjustments reflecting plant additions" exist or apply to Shelby [807 KAR 5:001, Section 10(7)(b) and (c)].
- 36. The operating budget for each month of the period encompassing the pro forma adjustments is attached as Exhibit T [807 KAR 5:001, Section (7)(d)].
- 37. There were no customers to be added to the test period. [807 KAR 5:001, Section 10(7)(e)]
- 38. Additional financial exhibits required by 807 KAR 5:001, Section 10, financial information covering twelve (12) month historical test period ending July 31, 2009, and other information required to be filed is attached by exhibits, as follows:

| Exhibit U  | By-Laws  |
|------------|--|
| Exhibit V  | Detailed comparative income statement, statement of cash flows and |
|            | balance sheet  |
| Exhibit W  | Schedule showing monthly comparison of balance sheet accounts from |
|            | Test year to Preceding year  |
| Exhibit X  | Schedule showing monthly comparison of income statement accounts   |
|            | from Test year to Preceding Year                                   |
| Exhibit Y  | Trial balance at end of test year                                  |
| Exhibit Z  | Capital structure  |
| Exhibit 1  | Adjustment for salaries and wages                                  |
| Exhibit 2  | Adjustment for payroll taxes                                       |
| Exhibit 3  | Adjustment for depreciation  |
| Exhibit 4  | Adjustment for property taxes                                      |
| Exhibit 5  | Adjustment for long term and short term interest                   |
| Exhibit 6  | Adjustment for post-retirement benefits                            |
| Exhibit 7  | Adjustment for retirement costs                                    |
| Exhibit 8  | Adjustment for donations   |
| Exhibit 9  | Adjustment for professional fees                                   |
| Exhibit 10 | Adjustment for director expenses                                   |
| Exhibit 11 | Adjustment for miscellaneous expenses                              |
| Exhibit 12 | Adjustment for rate case expenses                                  |
| Exhibit 13 | Adjustment for cable television attachments                        |
| Exhibit 14 | Adjustment for non-recurring charges                               |
| Exhibit 15 | Adjustment for G&T capital credits allocated                       |
| Exhibit 16 | Adjustment for purchase power                                      |
| Exhibit 17 | Adjustment for normalized revenue                                  |
| Exhibit 18 | Adjustment for end of year customer adjustment                     |
| Exhibit 19 | KAEC Statistical Comparison  |
| Exhibit 20 | Capitalization policies and employee benefits                      |
| Exhibit 21 | Equity management plan   |
|            |  |

WHEREFORE, SHELBY ENERGY COOPERATIVE, INC. applies and requests approval of the adjustment of rates as set forth in this application and issuance of an order approving and authorizing the new rates at the earliest possible date.

Dated: December 29<sup>74</sup>, 2009.

Shelby Energy Cooperative, Inc.

Debbie Martin, President and CEO

COUNSEL:

DONALD T. PRATHER Mathis, Riggs & Prather, P.S.C. Attorneys at Law 500 Main Street, Suite 5 Shelbyville, Kentucky 40066

Donald T. Prather, Attorney for

Shelby Energy Cooperative, Inc.

I, Debbie Martin, President and CEO, state that the statements contained in the foregoing application are true to the best of my information and belief.

Debbie Martin, President and CEO Shelby Energy Cooperative, Inc.

Subscribed and sworn to before me by Debbie Martin as President & CEO of Shelby Energy Cooperative, Inc. this 29<sup>th</sup> day of December, 2009.

Notary Public, Kentucky State At Large

My Commission Expires:  $\frac{10/2}{1}$ 

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# Commonwealth of Kentucky Trey Grayson, Secretary of State

Trey Grayson Secretary of State P. O. Box 718 Frankfort, KY 40602-0718 (502) 564-3490 http://www.sos.ky.gov

#### **Certificate of Existence**

Authentication number: 90120

Visit <a href="http://apps.sos.ky.gov/business/obdb/certvalidate.aspx">http://apps.sos.ky.gov/business/obdb/certvalidate.aspx</a> to authenticate this certificate.

I, Trey Grayson, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

### SHELBY ENERGY COOPERATIVE, INC.

is a corporation duly incorporated and existing under KRS Chapter 273, whose date of incorporation is June 14, 1937 and whose period of duration is perpetual.

I further certify that all fees and penalties owed to the Secretary of State have been paid; that Articles of Dissolution have not been filed; and that the most recent annual report required by KRS 273.3671 has been delivered to the Secretary of State.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 14<sup>th</sup> day of December, 2009, in the 217<sup>th</sup> year of the Commonwealth.



Trey Grayson
Secretary of State
Commonwealth of Kentucky
90120/0048230

Shelby Energy Cooperative, Inc.

# ADOPTION NOTICE

|         | The undersignedSHELBY ENERGY COOPERATIVE, INC.  |
|---------|---|
|         | (Name of Utility) System  |
| of      | 620 Old Finchville Road Shelbyville, KY 40065 hereby adopts, ratifies, and makes its own, ir                                  |
| every   | respect as if the same had been originally filed and posted by it, all tariffs and  |
| suppl   | ements containing rates, rules and regulations for furnishing   |
|         | electricity service at certified territory  |
| (Natu   | re of Service)  |
| in the  | Commonwealth of Kentucky, filed with the Public Service Commission of Kentucky  |
| by      | SHELBY RURAL ELECTRIC COOPERATIVE CORPORATION   |
|         | (Name of Predecessor)   |
| of      | 620 Old Finchville Road Shelbyville, KY 40065 and in effect on the 4th day of -   |
|         | June , 19 97, the date on which the public service business of the said   |
|         | SHELBY RURAL ELECTRIC COOPERATIVE CORPORATION   |
|         | (Name of Predecessor)   |
| was ta  | aken over by it.  |
|         | This notice is issued on the 11th day of June , 19 97, in conformity  |
| with 8  | 07 KAR 5:011, Section 11, of the Regulations for the filing of Tariffs of Public Utilities                                    |
| with th | ne Public Service Commission of Kentucky.  PUBLIC SERVICE COMMISSION  OF KENTUCKY  EFFECTIVE  SHELBY ENERGY COOPERATIVE, INC. |
|         | PURSUANT TO 807 KAR 5:011.  BY: Stephan Bu  SECRETARY OF THE CO.  |
| Autho   | rized by K.P.S.T. S. P. Marson No.  |

P.S.C. Ky No.

8

Cancels P.S.C. Ky No.

7

SHELBY ENERGY COOPERATIVE, INC.

of

SHELBYVILLE, KENTUCKY 40065

## RATES, RULES AND REGULATIONS FOR FURNISHING

at

Counties of:

Shelby, Henry, Trimble, Carroll, Owen, Franklin,

Oldham, Jefferson, Spencer, and Anderson

## Filed with PUBLIC SERVICE COMMISSION OF KENTUCKY

Issued

June 11, 1997

Effective

June 4, 1997

PUBLIC SERVICE COMMISSION OF KENTUCKY **EFFECTIVE** 

Issued By Shelby Energy Cooperative, Inc.

(Name of Utility)

JUN 04 1997

PURSUANT TO 807 KAR 5:011. SECTION 9 (1)

President and General Manager

SECRETARY OF THE COMMISSION

|   | FOR          | All Territory Served |    |
|---|--------------|----------------------|----|
|   | P.S.C. No.   | 8                    |    |
|   | 1st Revised  | SHEET NO.            | 1  |
| nelby Energy Cooperative, Inc.<br>Snelbyville, Kentucky | CANCELLING F | P.S.C. NO.           | 88 |
| Name of Issuing Corporation                             |              |                      |    |
|   | Original     | SHEET NO.            | 11 |
| RULES AND REGULATIONS                                   |              |                      |    |

#### 1. **SCOPE**

This schedule of Rules and Regulations is hereby made a part of all contracts for electric service received from Shelby Energy Cooperative Inc., hereinafter referred to as the Cooperative, and (T) applies to all service received, whether such service is based upon a contract, agreement, signed application, or otherwise. No employee or director of the Cooperative is permitted to make an exception to rates and rules. Regulations are on file at the Cooperative's office and can be obtained there from Cooperative personnel. All Rules and Regulations shall be in effect so long as they do not conflict with Public Service Commission Rules and Regulations.

#### 2. **REVISIONS**

These Rules and Regulations may be revised, amended, supplemented, or otherwise changed from time to time after approval by Shelby Energy Cooperative, Inc.'s Board of Directors and the (T) Public Service Commission. Such changes, when effective, shall have the same force as the present Rules and Regulations.

#### 3. SERVICE AREA

The Cooperative furnishes electric power supplied in portions of Shelby, Henry, Trimble, Carroll, Oldham, Franklin, Owen, Spencer, Anderson, and Jefferson Counties.

#### **AVAILABILITY** 4.

Available to all members of the Cooperative as specified in the tariff sheets and classifications of ACE COMPINED service. ENTLICKY

#### AVAILABILITY OF SERVICE TO DELINOUENT MEMBERS 5.

FFB 15 1993

If an application is received by a person residing with a delinquent member at the premises where power was supplied to the delinquent member, the application will be denied anthanistic grounds that the applicant is applying as the agent of the delinquent member. SECTEM 9 (1)

| .TE OF ISSUE: | January 13, 1998 | EFFECTIVE DATE:             | February 13, 1998     |  |
|---------------|------------------|-----------------------------|-----------------------|--|
| ISSUED BY:    | Dudly Botte. Jr. | President & General Manager | Shelbyville, KY 40065 |  |
|               | Name of Officer  | Title                       | Address               |  |

|   | FOR        | All Territory | Served |
|---|------------|---------------|--------|
|   | P.S.C. No. | 8             |        |
|   | Original   | SHEET NO.     | 2      |
| lby Energy Cooperative, Inc.<br>_nelbyville, Kentucky | CANCELLING | P.S.C. NO.    | 7      |
| Name of Issuing Corporation                           |            |               |        |
|   |            | SHEET NO.     |        |
| RULES AND REGULATIONS                                 |            |               |        |

### 6. EASEMENTS

Each member, together with his/her spouse and all other real estate title owners, shall grant or convey to the Cooperative, without cost, any permanent easements reasonably required by the Cooperative to provide electric service to that member for the installation, maintenance, and operation of the Cooperative's electrical distribution system, both existing and future, with right of ingress and egress for these purposes over the Member's property, provided such electrical distribution system is located on real estate owned, rented, or otherwise controlled by the member. The failure or refusal to convey such easements shall constitute grounds for discontinuing service.

#### 7. RIGHT OF ACCESS

Each member shall, at the time of application provide the Cooperative with permits or shall sign right-of-way easements furnished by said Cooperative. The Cooperative shall at all reasonable hours have access to meters, service connections, and other property owned by it and located on the consumer's premises for purposes of placing, locating, building, constructing, operating, replacing, rebuilding, relocating, repairing, improving, enlarging, extending, and maintaining on, over, or under such lands and premises, or removing therefrom its electrical distribution system, new or existing lines, wires, poles, anchors, and other necessary parts.

Any employee or agent of the Cooperative whose duties require him/her to enter the consumer's (premises shall wear a distinguishing uniform or insignia, identifying him/her as an employee of the Cooperative, or carry on his/her person a badge or other identification which will identify them as an employee or agent of the Cooperative, the same to be shown upon request.

#### 8. NO PREJUDICE OF RIGHTS

Failure by the Cooperative to enforce any of the terms of these Rules and Regulations shall not be deemed as a waiver of the right to do so.

PUBLIC SERVICE COMMISSION OF KENTUCKY

JUN 04 1997

EFFECTIVE

| <u> </u>     |                 |                             | DIPSHANT TO SOT MAD GOLD |
|--------------|-----------------|-----------------------------|--------------------------|
| TE OF ISSUE: | June 11, 1997   | EFFECTIVE DATE:             | SECTION 9(1)             |
| ISSUED BY:   | Dadh Better Dr. | President & General Manager | BY: SPEPANO DU           |
| •            | Name of Officer | Title                       | Address                  |

|  | FOR          | All Territory | Served |
|--|--------------|---------------|--------|
|  | P.S.C. No.   | 9             |        |
|  | 1st Revised  | SHEET NO.     | 3      |
| elby Energy Cooperative, Inc.<br>_nelbyville, Kentucky | CANCELLING I | P.S.C. NO.    | 8      |
| Name of Issuing Corporation                            | Original     | SHEET NO.     | 3      |
| RULES AND REGULATIONS                                  |              | _             |        |

APPLICATION OF ELECTRIC SERVICE

Each prospective member and/or spouse desiring electric service will be required to sign the Cooperative's form of "Application for Membership and Electric Service". Also, where applicable, the prospective consumer must sign a contract pertaining to their particular service. The prospective consumer must provide the Cooperative with all necessary electrical permits and fully executed right-of-way easements for his/her property, and all necessary load information at the time of application for service. The consumer may be required to furnish his/her Social Security number, phone number, permanent address, place of employment, and name of spouse.

### 10. (T) MEMBERSHIP

- (T) No member may hold more than one membership in the Cooperative. Discontinuance of service
- (T) will automatically terminate membership. Membership is not transferable from one member to
- (T) another.

9.

#### 11. CONTINUITY OF SERVICE

The Cooperative shall use reasonable diligence to provide a constant and uninterrupted supply of electrical power and energy, but if such a supply should fail or be interrupted or become defective through an act of God, or the public enemy, or by accident, strikes or labor troubles, or by action of the elements, or other permits needed, or for any other cause beyond the reasonable control of the Cooperative, the Cooperative shall not be liable.

#### 12. NON-STANDARD SERVICE

The member or consumer shall pay the cost of any special installation necessary to meet his/her requirements for service at other than standard voltage, or for the supply of closer voltage regulation than required by standard practices.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

OCT 23 1997

| <u> </u>      |                    |  |
|---------------|--------------------|--|
| \TE OF ISSUE: | September 23, 1997 | EFFECTIVE BAHANT TO 807 KAR BE 223, 1997             |
| ISSUED BY:    | Dudle Betton, J.   | President & General Managerhan Shelbyville, KY 40065 |
|               | Name of Officer    | Title COTARY OF THE COLAMISSION Address              |

|  |                              | FOR        | All Territory Served |   |
|--|------------------------------|------------|----------------------|---|
|  |                              | P.S.C. No. | 8                    |   |
|  | PUBLIC SERVICE COMMISSION    | Original   | SHEET NO.            | 4 |
| elby Energy Cooperative, Inc.<br>onelbyville, Kentucky | OF KENTUCKY<br>EFFECTIVE     | CANCELLING | P.S.C. NO.           | 7 |
| Name of Issuing Corporation                            | JUN 04 1997                  |            |                      |   |
| RULES  | AND REGULATION OF KAR 5:011. |            | SHEET NO.            |   |
|  | BY: Stephan Buy              |            |                      |   |

#### 13. BILLING

The Cooperative's billing period and billing procedures are as specified in the applicable rate schedule/tariff for electric service. Failure to receive the bill will not release the consumer from payment obligation.

SECRETARY OF THE COMMISSION

#### 14. **DEPOSITS**

The Cooperative may require a minimum cash deposit or other guaranty to secure payment of bills except for consumers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection. Service may be refused or discontinued for failure to pay the requested deposit. Interest, as prescribed by KRS 278.460, will be paid annually either by refund or credit to the consumer's bill, except that no refund or credit will be made if the consumer's bill is delinquent on the anniversary date of the deposit.

The deposit may be waived upon a consumer's showing of satisfactory credit or payment history, and required deposits will be returned after one (1) year if the consumer has established a satisfactory payment record for that period. If a deposit has been waived or returned and the consumer fails to maintain a satisfactory payment record, a deposit may then be required. The Cooperative may require a deposit in addition to the initial deposit if the consumer's classification of service changes or if there is a substantial change in usage. Upon termination of service, the deposit, any principal amounts, and any interest earned and owing will be credited to the final bill with any remainder refunded to the consumer.

Residential/Commercial consumer's deposit shall be based upon actual usage of the consumer at the same or similar premises for the most recent 12-month period, if such information is available. If usage information is not available, the deposit will be based on the average bills of similar consumers and premises in the system. The deposit amount shall not exceed 2/12 of the consumer's actual or estimated annual bill where bills are rendered monthly.

In determining whether a deposit will be required or waived, the following criteria will be considered:

| <u> </u>     | ·               |                             |                       |
|--------------|-----------------|-----------------------------|-----------------------|
| TE OF ISSUE: | June 11, 1997   | EFFECTIVE DATE:             | June 4, 1997          |
| ISSUED BY:   | Dudle Botton J. | President & General Manager | Shelbyville, KY 40065 |
| -            | Name of Officer | Title                       | Address               |

|                      |                                |   |   |  | FOR  | All Territory                               | Served                              |
|----------------------|--------------------------------|---|---|--|--|---|-------------------------------------|
|                      |                                |   |   |  | P.S.C. No.                                     | 9   |                                     |
| *                    |                                |   | :   |  | 1st Revised                                    | SHEET NO.                                   | 5                                   |
| Shelby E<br>Shelbyvi |                                | •   | e, Inc.   |  | CANCELLING I                                   | P.S.C. NO.                                  | 8                                   |
|                      | Na                             | ıme of Issı                                 | ing Corporation   |  | Original                                       | SHEET NO.                                   | 5                                   |
|                      |                                |   | RULES A   | ND REGULATIONS   | •  |   |                                     |
| 14.                  | DEP                            | OSITS                                       | (continued)   | ,  | •  |   |                                     |
|                      | 1.                             | with  |   | the Cooperative. If the consts from other utilities, banks credit.   |  |   |                                     |
|                      | 2.                             | When  | her the consumer has an e   | established income or line of  |  |   |                                     |
|                      | 3.                             |   |   | as resided or been located in  | the area.                                      |   |                                     |
|                      | 4.<br>5.                       |   | ther the consumer owns prober the consumer has filed                                | roperty in tne area.<br>d bankruptcy proceedings w   | ithin the last                                 | seven vears                                 | <b>:</b>                            |
|                      | 6.                             |   |   | h a good payment history is  |  |   |                                     |
|                      |                                | for a                                       | n amount equal to the requ  | ired deposit.  |  |   |                                     |
| (T)                  | 7.                             |   | •   | sfactory credit record and ra  | iting as repor                                 | rted by credi                               | it                                  |
| (T)                  | 8.                             |   |   | found to have previously di  | verted or tan                                  | npered with                                 |                                     |
|                      | reque<br>recal<br>cons<br>chec | est base<br>culated<br>umer, th<br>k or cre | d on the consumer's actual<br>amount by more than \$10<br>ne Cooperative may collec | oths, the deposit will be recall usage. If the deposit on ac 0.00 for a residential consumet any underpayment and shall be made if the control of the contro | count differs<br>er or 10% fo<br>ill refund an | s from the<br>or a non-resid<br>y overpayme | dential<br>ent by                   |
| 15.                  | LEV                            | ELIZE                                       | O (BUDGET) BILLING  |  |  |   |                                     |
|                      |                                |   | udget Billing is available ount is determined by:                                   | to all residential customers.  | The Leveliz                                    | zed Payment                                 | . Plan                              |
|                      | 1.                             | Α.  |   | ice with twelve (12) month' onth's usage will be totaled.  | s usage histo                                  | ory, the char                               | ges for                             |
|                      |                                |   | monthly charges for us<br>equal twelve (12) conso<br>history is available, the      | ss than twelve (12) month's rage plus monthly charges frecutive month's usage will be remaining month's charges the electric needs of the serv   | om previous<br>be totaled. It<br>will be       | usage histor<br>f no previou<br>hater lice  | ry to<br>s usage<br>OMMISSION<br>XY |
| DATEC                | F ISSUE                        | :   | September 26, 2001  | EFFECTIVE DATE:  | 0  | ctd <b>6</b> Fe2100                         | 2001                                |
| ISSUED               |                                | F   | 11811   | President and CEO  |  | lbyyille, KY <sub>e</sub> AC                |                                     |
| COCC                 |                                |   | Name of Officer   | Title  | PUR  | Adecessor                                   |                                     |

| PUBLIC SERVICE COMMISSION   CF KENTICKY   CANCELLING P.S.C. NO.   6  |     |                 |             |   |   | FOR                                  | All Territory Serve              |
|--|-----|-----------------|-------------|---|---|--------------------------------------|----------------------------------|
| Name of Issuing Corporation   JUN 0 4 1997   SHEET NO.   7   |     |                 |             |   |   | P.S.C. No.                           | 8                                |
| Name of Issuing Corporation   JUN 04 1997   SHEET NO.   7  |     |                 |             |   | PIRITO SERVICE COMMISSION   | Original                             | SHEET NO. 6                      |
| RULES AND URSIGNATE DEPART 5011.  SECURIS 11  BY: Stephan 1  BY: S | -   | rille, Kentucky | OF KENTUCKY | CANCELLING  | 3 P.S.C. NO. 7  |                                      |                                  |
| By: Stoken But  15. LEVELIZED (BUDGET) BILLING (COMPANDED) COMMUNICATION CONTINUED) COMPANDED  1. A. For new consumers connecting to an established service location, charges for twelve (12) consecutive month's usage from previous usage history will be totaled. If no previous usage history is available, the charges will be estimated by the Cooperative based on the electric energy needs of the service location.  For consumers connecting to a new service location, the charges will be estimated by the Cooperative based on the electric energy needs of the service location.  B. Dividing this total by twelve (12). This amount will then be the monthly payment for the account. Accounts with estimated payments will be monitored monthly and adjusted if usage indicates that the account will not be current upon payment of last budget amount.  C. Each month the twelfth (12th) month of charges is dropped and the current month of charges added, keeping a twelve (12) month current average, thereby never having a catch-up month. Estimated accounts will be monitored monthly and adjusted if usage indicates that the account will not be current upon payment of last budget amount.  2. Each monthly bill will reflect the actual amount of electricity used and the status of the member's account, including the current amount to be paid.  3. Consumer agrees to make monthly payments when due or the agreement will be voided and the total balance, if any, will be due and payable.  4. The agreement remains in effect until canceled by the consumer or the Cooperative or by the member's failure to make payments as outlined above.  16. PARTIAL PAYMENT PLAN  Consumers who are unable to pay their bills may come to the office during regular office hours and make arrangements for a partial payment plan and retention of service. The consumer must   |     | Name            | of Issuln   | g Corporation   | <br>JUN 04 1997   |                                      | SHEET NO.                        |
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| and make arrangements for a partial payment plan and retention of service. The consumer must   | 16. | PAR             | TIAL P      | AYMENT PLAN   |   |                                      |                                  |
| FEFECTIVE DATE: June 4 1997  |     |                 |             |   |   |                                      |                                  |
|  |     |                 |             | June 11, 1997   | EFFCTIVE DATI   | F· lune                              | 4 1997                           |

President & General Manager

ISSUED BY:

Shelbyville, KY 40065

Address

| 4  |   | FOR                   | All Territory | Served |
|--|---|-----------------------|---------------|--------|
|  |   | P.S.C. No.            | 8             |        |
|  | <b>P</b> 110-1-1                                      | Original              | SHEET NO.     | 7      |
| elby Energy Cooperative, Inc.<br>_nelbyville, Kentucky | PUBLIC SERVICE COMMISSION<br>OF KENTUCKY<br>EFFECTIVE | CANCELLING P.S.C. NO. |               | 7      |
| Name of Issuing Corporation                            |   |                       |               |        |
|  | JUN 04 1997   |                       | SHEET NO.     |        |
| RULE   | ES AND REGULATIONS PURSUANT TO 807 KAR 5.011.         |                       |               |        |
|  | SECTION 9 (1)   |                       |               |        |

# 16. PARTIAL PAYMENT PLAN (continuest PRETARY OF THE COMMISSION

appear in person within the ten (10) day notice period to negotiate the partial payment plan to avoid collection of the bill or disconnection of the service.

The Cooperative shall negotiate and accept reasonable partial payment plans. The partial payment plan shall be mutually agreed upon and permit the consumer to become current in payment of the account within a timely manner. Should the partial payment plan extend for a period of longer than 30 days, the plan must be in writing and signed by the consumer. In addition to the payment of the current bill, the consumer may be offered an option of payment arrears by one (1) payment per month or more than one (1) payment per month. The consumer will be allowed to make additional payments or larger payments, at any time, in order to become current. The Cooperative will not negotiate a partial payment plan with a consumer who is delinquent under a previous partial payment plan.

### 17. CERTIFICATE OF NEED FROM DEPARTMENT FOR SOCIAL INSURANCE

Upon written certification from one of the Kentucky Department for Social Insurance offices, a consumer who is eligible for energy assistance under the Department's guidelines or is certified as being in genuine financial need, defined as any household with gross income at or below 130% of the poverty level, and who has been given a ten (10) day notice for nonpayment of his/her electric bill rendered between November 1 and March 31 and who presents such notice to the Department for Social Insurance, shall be allowed thirty (30) days in addition to such ten (10) day notice period in which to negotiate a partial payment plan with Shelby Energy provided such certification is delivered to Shelby Energy during the initial ten (10) day notice period by the applicant in person, by his/her agent, by mail, or by telephone call from an employee of the Department of Social Insurance. The thirty (30) day period shall begin to run at the end of the tenth day of the ten (10) day period.

When the consumer exhibits good faith by offering to make a present payment commensurate with his or her ability to do so and by agreeing to a repayment schedule which would permit the consumer to become current in the payment of his or her electric bill in a timely manner but no later than October 15, Shelby Energy will accept such partial payment plan. Shelby Energy

|              |                 |                              |                       | - |
|--------------|-----------------|------------------------------|-----------------------|---|
| TE OF ISSUE: | June 11, 1997   | EFFECTIVE DATE:              | June 4, 1997          |   |
| ISSUED BY:   | Dudle Botton In | President & General Manager_ | Shelbyville, KY 40065 | _ |
| ,            | Name of Officer | Title                        | Address               | _ |

|   | •  | FOR                   | All Territory | Served |
|---|--|-----------------------|---------------|--------|
|   | PUBLIC SERVICE COMMISSION  | P.S.C. No.            | 8             |        |
|   | OF KENTUCKY<br>EFFECTIVE   | Original              | SHEET NO.     | 8      |
| ⊮lby Energy Cooperative, Inc.<br>⊮elbyville, Kentucky | JUN 04 1997  | CANCELLING P.S.C. NO. |               | 7      |
| Name of Issuing Corporation RULES                     | PURSUANT TO 807 KAR 5:011,<br>SECTION 9 (1)<br>AND BYECT KARTHONSBUU | <u> </u>              | SHEET NO.     |        |
|   | SECOSTION OF THE SECOND  |                       |               |        |

### 17. CERTIFICATE OF NEED FROM DEPARTMENT FOR SOCIAL INSURANCE (continued)

will also inform the consumer on the reverse side of the (10) day notice of the telephone number and address of the nearest office of the Kentucky Cabinet for Human Resources, Department of Social Insurance.

#### 18. LOCATION OF METERS

Meters shall be easily accessible for reading, testing, and making necessary adjustments and repairs and shall be located at a site designated by Shelby Energy.

#### 19. MONITORING OF CONSUMER USAGE

If a customer is discovered to have an unusual deviation in his/her monthly usage, the Cooperative will contact that customer to investigate that unusual deviation and offer energy auditing services to assist in determining the source of the deviation.

The Cooperative utilizes computer programs to flag unusual deviations in a consumer's usage on consumer accounts. KWH readings are also compared to the previous month's reading to assure that the new reading is at least greater than the previous reading. Any extremely large variations are also marked at this time.

The computer programs used to monitor unusual deviations are:

- A. Data Entry Exception History: Immediately upon completion of data entry of new kWh readings, an exception listing appears which flags any readings that do not conform to previously set standards. Those standards are:
  - 1. Attempt to enter a five digit reading to an account where only a four dial meter is installed.
  - 2. A reading which would generate a bill for over 5,000 kWh for all accounts.
  - 3. A reading which is lower than the previous month's reading.

| TE OF ISSUE: | June 11, 1997   | EFFECTIVE DATE:             | June 4, 1997          |
|--------------|-----------------|-----------------------------|-----------------------|
| ISSUED BY:   | Dudle Botton J. | President & General Manager | Shelbyville, KY 40065 |
| ,000=====    | Name of Officer | Title                       | Address               |

| Form for filing Rate Schedule |   |                              |  | FOR All Territory Served   |               |   |  |
|-------------------------------|---|------------------------------|--|----------------------------|---------------|---|--|
|                               |   |                              |  | P.S.C. No.                 | Communit      | y, Town or City                         | 8                                      |
|                               |   |                              |  | 1st Revised                | Sheet No      | *                                       | 9                                      |
| "                             |   |                              |  | 0                          | 200 N         |   |  |
| •                             | Energy C<br>ville, KY   | coperative,                  | inc.   | Canceling F<br>Original Sh |               | *************************************** | 9                                      |
| 0.10.03                       | ,   | Name of I                    | ssuing Corporation   | <b>G</b>                   |               |   | ······································ |
|                               |   |                              |  |                            |               |   |  |
|                               |   |                              | RULES ANI  | D REGULATIONS              |               |   |  |
| 19.                           | MONITO  | RING OF                      | CONSUMER USAGE (conti  | nued)                      |               |   |  |
|                               | В.  | report is ru<br>or 50% lov   | Exception Report: Before the subject of the subject | which would genera         | ate a bill us | age 50% higher                          |  |
|                               |   |                              | on cannot be readily determ<br>d to determine cause for ex   |                            | punch erro    | or, the source                          |  |
|                               | is dispate  |                              | sual deviation cannot be ide<br>ain a new reading. This rea<br>e variance.   |                            |               |   |  |
| 20.                           | RECON   | NECTION (                    | CHARGE:  |                            |               |   |  |
|                               | Coopera   | itive is requ                | een disconnected for other ested to reconnect at the sa charged if reconnected ou  | me location, a sixty-      | -five dollar  | (\$65.00) <b>(I)</b>                    |  |
| 21.                           | COLLEC  |                              | DELINQUENT ACCOUNTS:   | :                          |               |   |  |
|                               | Should it become necessary for the Cooperative to send a representative to the consumer's premises for collection of a delinquent account, there may be a service call charge of thirty dollars (\$30.00) assessed if service is terminated, the bill is paid in the course of the trip, or payment (I) arrangements are made. The charge can only be made once in a billing period. The charge will be due and payable at the time such delinquent account is collected. |                              |  |                            |               |   |  |
|                               | reconne   | ction during<br>d. After reg | per is disconnected for non-<br>regular working hours, sixt<br>ular working hours, the serv  | y-five dollar (\$65.00     | ) service c   | all charge shall be                     | (I)                                    |
| DATE                          | OF ISSUI  | E                            | December 31, 2009  | DATE EFF                   | ECTIVE;       | February 1, 2010                        |  |
| ISSUE                         | D BY  |                              | Name of Officer  | -                          | TITLE:        | President & CEC                         | )                                      |

| Form f | for filing Rate Schedule   | FOR  | All Territory Served Community, Town or   | City   |
|--------|--|--|---|--|
|        |  | P.S.C. No  | ▼ *   | 8  |
|        |  | 1st Revis  | ed Sheet No.  | 10   |
|        | ville, KY  | Canceling<br>Original S  | g P.S.C. No.<br>Sheet No.   | <u>8</u><br>10   |
|        | Name of Issuing Corporation  | Ü  |   |  |
|        |  |  |   |  |
|        | RULES AND RE   | GULATION   |   |  |
| 22.    | CHECKS RETURNED - UNHONORED BY BANK  |  |   |  |
|        | When a check received in payment of a consumer's a reason, the Cooperative will notify such consumer by reason for its return. Returned checks will then be co and if payment is not received for the check within ter service may be discontinued as prescribed under the with unpaid accounts. A \$25.00 service charge shall The Cooperative shall have the right to refuse to acceany consumer that has demonstrated poor credit risk. | letter, stating insidered the condition (10) busine section of Fibe added to ept checks in | g the amount of the che<br>e same as a delinquent<br>ess days after notification<br>Rules #16, 17, #21 and it<br>all returned unhonored | eck and<br>account,<br>on,<br>#25 dealing<br>d checks. (I) |
| 23.    | TAMPERING  |  |   |  |
|        | If meters or other property belonging to the Cooperatic consumer being supplied through such equipment shap estimate is due for service rendered, but not regular such replacement and repairs as are necessary, as wand protective installations.   | nall pay the a<br>istered on th  | amount which the Coop<br>ne Cooperative's meter   | perative<br>and for  |
| 24.    | NOTICE OF TROUBLE  |  |   |  |
|        | The consumer shall give immediate notice at the officirregularities or unsatisfactory service and of any defe  |  |   | ption or   |
|        | The Cooperative may, as of deems necessary, suspending on consumer or consumers for the purpose of making repart of its system.  | end supply o<br>epairs, chan   | of electrical energy to ar<br>ges or improvements u   | ny<br>pon any  |
| 25.    | DISCONTINUANCE AND REFUSAL OR TERMINAT   | TON OF SE  | RVICE   |  |
| DATE   | Any member desiring service discontinued or change Cooperative three (#) days' notice, in person, writing, violate contractual obligations or tariff provisions. The charges for service beyond the three (3) day notice per   | or telephon<br>ne consume<br>eriod if the o  | e, provided such notice<br>r shall not be responsib   | e does not<br>ble for<br>sonable                           |

Name of Officer

ISSUED BY

President & CEO

TITLE:

|  |                        |   | FOR             | All Territory | Served |
|--|------------------------|---|-----------------|---------------|--------|
|  |                        |   | P.S.C. No.      | 8             |        |
|  |                        | PUBLIC SERVICE COMMISSION   | Original        | SHEET NO.     | 11     |
| വലിby Energy Cooperative, Inc.<br>ചലിbyville, Kentucky |                        | OF KENTUCKY  EFFECTIVE  | CANCELLING I    | P.S.C. NO.    | 7      |
| Name o   | of Issuing Corporation | JUN 04 1997   |                 | SHEET NO.     |        |
|  | RU                     | ILES PANDAREGULATIONS.  |                 |               |        |
| 25. DISC   | ONTINUANCE AN          | SECTION 9 (1) BY: <u>SkokanO BUU</u> D REFERMANOR THEORIMIES KNTION (       | OF SERVICE (con | ntinued)      |        |
|  | ~                      | the notice period. If the consumer none, the burden of proof is on the cons | •               | -             | it     |

The Cooperative may refuse or discontinue to serve an applicant or consumer under the following conditions:

termination was requested if a dispute arises.

- A. For noncompliance with its Rules and Regulations. However, the Cooperative shall not discontinue or refuse service to any consumer or applicant for violation of its Rules and Regulations without first having made reasonable effort to induce the consumer or applicant to comply with the Rules and Regulations as filed with the Public Service Commission. After such effort on the part of the Cooperative, service may be disconnected or refused only after the member shall have been given at least ten (10) days written notice of such intention, mailed to his/her last known address.
- B. When a dangerous condition is found to exist on the member's or applicant's premises, the service shall be discontinued without notice or refused, provided that the Cooperative notify the consumer or applicant immediately of the reasons for the discontinuance or refusal and the corrective action to be taken by them before service can be installed or restored.
- C. When a consumer or applicant refuses or neglects to provide reasonable access to the premises for the purposes of installation, operation, meter reading, maintenance, or removal of the Cooperative's property, employees or agents of the Cooperative may discontinue or refuse service only after the consumer or applicant shall have been given at least fifteen (15) days written notice of such intention.
- D. The Cooperative may not furnish service to any applicant when such applicant is indebted to the Cooperative for service furnished until such applicant shall have paid such indebtedness or negotiated a satisfactory agreement.

| <u> </u>      |                 |                             | <u> </u>              |
|---------------|-----------------|-----------------------------|-----------------------|
| ATE OF ISSUE: | June 11, 1997   | EFFECTIVE DATE:             | June 4, 1997          |
| ISSUED BY:    | Dudly Bottom In | President & General Manager | Shelbyville, KY 40065 |
| -             | Name of Officer | Title                       | Address               |

|   | FOR          | All Territory | Served |
|---|--------------|---------------|--------|
|   | P.S.C. No.   | 8             |        |
|   | 1st Revised  | SHEET NO.     | 12     |
| elby Energy Cooperative, Inc. Shelbyville, Kentucky | CANCELLING P | P.S.C. NO.    | 8      |
| Name of Issuing Corporation                         | 0.22.54      |               | 40     |
|   | Original     | _SHEET NO     | 12     |
| RULES AND REGULATIONS                               |              |               |        |

- 25. DISCONTINUANCE AND REFUSAL OR TERMINATION OF SERVICE (continued)
  - E. The Cooperative may refuse or discontinue service to a member or applicant if the consumer or applicant does not comply with state, county, or other codes, rules, and regulations applying to such service.
  - F. THE COOPERATIVE MAY DISCONTINUE SERVICE UNDER THE FOLLOWING CONDITIONS:

For non-payment of bills. However, the Cooperative shall not discontinue service to any member for non-payment of bills (including extra charges) without first having made reasonable effort to induce the member to pay same. The consumer shall be given at least ten (10) days written notice, but the disconnect shall not be effective for twenty-seven (27) days after the mailing date of the original bill. Such termination notice shall be exclusive of and separate from the original bill. If, prior to discontinuance of service, there is delivered to the Cooperative office or to its employees empowered to discontinue service, payment of the amount in arrears, the discontinuance of service shall not be made, or where a written certificate is filed signed by a physician, a registered nurse, or a public health officer, stating that in the opinion of the person making the certification, discontinuance of service will aggravate an existing illness or infirmity on the affected premises, service shall not be discontinued until the affected resident can make other living arrangements or until thirty (30) days elapse from the time of the Cooperative's notification to the member in writing of the existence of local, state, and federal programs providing for the payment of the Cooperative bills under certain conditions and of the offices to contact for such possible assistance. The written notice for any discontinuance of service shall advise the consumer of his/her rights to district structure of his/her rights and his/her rights structure of his/her rights and his/her rights structure of his/her rights and his/her ri OF KENTUCKY discontinuance.

26. **INSPECTIONS** 

FEB 13 1998

**EFFECTIVE** 

| (T) | Shelby Energy Cooperative, Inc. shall not initiate   | new permanent electric service until the      |
|-----|--|---|
|     | Shelby Energy Cooperative, Inc. shall not initiate a required certificate of approval has been issued by | a certified electrical inspector, as required |
|     | by local or state laws.  | BY: Stephan Bu                                |
|     |  | THE POLICE THE COMMISSION                     |

| ATE OF ISSUE: | January 13, 1998  | EFFECTIVE DATE:             | February 13, 1998     |
|---------------|-------------------|-----------------------------|-----------------------|
| ISSUED BY:    | Duetle Betton. h. | President & General Manager | Shelbyville, KY 40065 |
| 100025 511    | Name of Officer   | Title                       | Address               |

|                                   |   | FOR                   | All Territory | Served |
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|                                   | PUBLIC SERVICE COMMISSION<br>OF KENTUCKY                                | P.S.C. No.            | 8             |        |
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| nelby Energy Cooperative, Inc.    | JUN 04 1997   | CANCELLING P.S.C. NO. |               | 7      |
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#### 27. TEMPORARY SERVICE

A member or consumer requesting temporary service may be required to pay all cost of construction, removing, connecting, and disconnecting service. Construction contractors, camps, campsites, barns, barnsites, sawmills, oil wells, carnivals, fairs, camp meetings, etc., after making application for service, will be provided service after they pay an advance fee equal to the reasonable cost of constructing and removing such facilities along with a deposit for estimated kWh usage.

Upon termination of temporary service, the payment paid on estimated usage will be adjusted to actual usage and either a refund or additional billing will be issued to such temporary member or consumer.

Temporary service used for such construction may only be utilized for a period not to exceed twelve (12) months after which time the service will be disconnected unless a written extension of time is obtained from the Cooperative.

#### 28. CONSUMER'S LIABILITY

The consumer shall assume full responsibility for service upon his/her premises at and from the point of delivery thereof, and for wires, apparatus, devices, and appurtenances thereon used in connection with service. Consumer shall indemnify, hold harmless and defend the Cooperative against all claims, demands, cost or expense for loss, damage, or injury to persons or property in any manner directly or indirectly arising from, connected with, or growing out of the transmission or use of electricity by consumer at or on the consumer's side of point of delivery.

### 29. PROTECTION OF THE COOPERATIVE EQUIPMENT

The consumer shall protect the equipment of the Cooperative on his/her premises and shall not interfere with or alter or permit interference with or alteration of the Cooperative's meter or other property except by duly authorized representatives of the Cooperative.

For any loss or damage to the property of the Cooperative due to or caused by or arising from carelessness, neglect, vandalism, or misuses by the consumer or other unauthorized persons, the

| <u> </u>      |                 |                             |                       |
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| ATE OF ISSUE: | June 11, 1997   | EFFECTIVE DATE:             | June 4, 1997          |
| ISSUED BY:    | Dodle Botton O. | President & General Manager | Shelbyville, KY 40065 |
|               | Name of Officer | Title                       | Address               |

|  |  | FOR        | All Territory | Served |
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| alby Energy Cooperative, Inc.<br>.₁elbyville, Kentucky | EFFECTIVE                                | CANCELLING | P.S.C. NO.    | 7      |
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29. PROTECTION OF THE COOPERATIVE EQUIPMENT (continued)

cost of the necessary replacement and repairs shall be paid for by the consumer. After proper negotiations with the Cooperative and if unable to reach an agreement, a court of law having jurisdiction over the parties shall determine the cost.

#### 30. POINT OF DELIVERY

- 1. A. Approval shall be obtained from the Cooperative as to the proper location for a service entrance.
  - B. Service entrances will be located on the exterior of the building nearest to the Cooperative's lines. For members desiring service entrances on any building at a location other than that closest to the Cooperative's lines, the additional estimated cost of such special construction as may be found necessary shall be borne by the member, and such cost shall be paid in advance before service can be connected.
  - C. Service entrances, both overhead and underground, shall be installed in accordance with applicable codes, and the Cooperative shall not connect until the required certificate of compliance has been issued by the required certified electrical inspector. In event of an emergency, a temporary waiver may be issued by the Cooperative to allow connection pending completion of electrical inspection.
- 2. Point of service (or delivery) shall be that point where the facilities of the Cooperative join the member's facilities, irrespective of the location of the meter, and will normally be at the weatherhead on overhead lines and at the meter base on underground service. All wiring and equipment beyond this point of service shall be supplied and maintained by the member. The member will, however, notify the Cooperative of any proposed changes in his equipment or wiring which will materially increase or decrease his load so the Cooperative may check its equipment to make certain it will accommodate the member's load requirements.

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|              | Name of Officer   | Title                       | Address               |

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OF KENTUCKY
EFFECTIVE

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JUN 04 1997

Original SHEET NO. 15

CANCELLING P.S.C. NO. 7

Name of Issuing Corporation

PURSUANT TO 807 KAR 5:011. SECTION 9 (1)

SHEET NO.

RULES AND STEED BY LOATH COMMISSION

#### 31. RESALE OF POWER BY MEMBERS

All purchased electric service used on the premises of the member shall be supplied exclusively by the Cooperative, and the member shall not directly or indirectly sell, sublet, or otherwise dispose of the electric service or any part thereof, except by written contract approved by the Board of Directors of this Cooperative.

### 32. METER BASES

Meter bases are provided by the Cooperative for all normal new services and all normal service upratings. Special designs or unusual situations may require a contribution from the member.

#### 33. METER READING

The Cooperative will provide meter reading services to all consumer accounts in accordance with the rates and tariffs filed with the Public Service Commission.

### 34. SEPARATE METER FOR EACH SERVICE

The Cooperative will normally furnish a single meter at the point of connection to the consumer's premises. Any consumer desiring service at two or more separately metered locations of connection to the system shall be billed separately at each point and the registration of such meters shall not be added for billing purposes, except by written contract approved by the Board of Directors of the Cooperative. Only one residence may be served for each meter location.

#### 35. FRAUDULENT USE

When the Cooperative has discovered evidence that by fraudulent or illegal means, a consumer has obtained unauthorized service or has diverted the service for unauthorized use or has obtained same without being properly measured, the service to the consumer may be disconnected immediately and without notice. Within 24 hours after such termination, the utility shall send written notification to the consumer of the reasons for termination or refusal of service and of the consumer's right to challenge the termination by filing a complaint with the Public

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|               | Name of Officer | Title                       | Address               |  |

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| ∌lby Energy Cooperative, Inc.<br>∟nelbyville, Kentucky | PUBLIC SERVICE COMMISSION<br>OF KENTUCKY<br>EFFECTIVE | CANCELLING | P.S.C. NO.    | 7      |
| Name of Issuing Corporation                            |   |            |               |        |
|  | JUN 04 1997   |            | SHEET NO.     |        |
| RULE   | S AND REGULATIONS<br>PURSUANT TO 807 KAR 5011         |            |               |        |
|  | SECTION 9 (1)   |            |               |        |
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### 35. FRAUDULENT USE (continued)

Service Commission. The Cooperative shall not be required to restore service until the Cooperative has been reimbursed for the estimated amount of service rendered and the cost incurred by fraudulent use.

SECRETARY OF THE COMMISSION

It shall be the duty of the Cooperative before making service connections to a new consumer to ascertain the condition of the meter and service facilities for such consumer in order that prior fraudulent use of the facilities, if any, will not be attributed to the new consumer, and the new consumer shall be afforded the opportunity to be present at such inspection. The Cooperative shall not be required to render service to such consumer until all defects in the consumer-owned portion of the service, if any, have been corrected.

#### 36. METER POLE

The Cooperative may, upon request, serve a meter pole to be wired by the consumer. The electrical load should be sufficient to justify at least a 200 ampere service. A means of disconnect satisfying National Electric Code requirements shall be installed on the load side of the meter base. The meter pole and all equipment on said pole, exclusive of the meter shall be installed and owned by the consumer. The pole location shall be determined by the Cooperative and the service must comply with the applicable codes and be inspected as required by state and local laws.

#### 37. RELOCATION OF LINES

When the Cooperative is requested or required to relocate its facilities for any reason, any expense involved will be paid by the firm, person, or persons requesting the relocation, unless one or more of the following conditions are met:

- A. The relocation is made for the convenience of the Cooperative.
- B. The relocation will result in a substantial improvement in the Cooperative's facilities.

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|              | Name of Officer | Title                       | Address               |

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| unelbyville, Kentucky          |   | CANCELLING P | S.C. NO.      | 7      |
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|                                | PURSUANT TO DOT WAS TO  |              | SHEET NO.     |        |
| RULES AND                      | PURSUANT TO 807 KAR 5:011,<br>REGULAS FROM \$69 (1)<br>BY: Stephand Boo |              |               |        |
|                                | SECRETARY OF THE COMMISSION   |              |               |        |

### 37. RELOCATION OF LINES (continued)

C. That the relocation is associated with other regularly scheduled conversion or construction work and can be done at the same time.

#### 38. A. NORMAL SERVICE EXTENSIONS

An extension to a permanent residence of one thousand (1,000) feet or less shall be made by Shelby Energy to its existing distribution line without charge for a prospective member who shall apply for and agree to use the service for one year or more and provides guarantee for such service. The "service drop" to the structure from the distribution line at the last pole shall not be included in the foregoing measurements. This distribution line extension shall be limited to service where installed transformer capacity does not exceed 25 KVA. Any extensions to a consumer who may require polyphase service or whose installed transformer capacity will exceed 25 KVA will be required to pay in advance additional cost of construction which exceeds that for a single phase line where the installed transformer capacity does not exceed 25 KVA.

#### 38. B. OTHER EXTENSIONS

- 1. When an extension of Shelby Energy's line to service a member or a group of members amounts to more than 1,000 feet per member, the total cost of the excessive footage over 1,000 feet per member shall be deposited by the applicant or applicants based on the estimated cost of the total extension.
- 2. Each member receiving service under such extension will be reimbursed under the following plan:

Each year for a period of ten (10) years, which for the purpose of this rule shall be the refund period, the Cooperative shall refund to the member or members who paid for the excess footage the cost of 1,000 feet of the extension in place for each additional member connected during the year whose service line is <u>directly connected</u> to the extension installed and not to extensions or laterals therefrom, but in no case shall the total

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| ISSUED BY:     | Dudle Botton J. | President & General Manager | Shelbyville, KY 40065 |  |
|                | Name of Officer | Title                       | Address               |  |

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|--|---------------|--------------|--------|
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| RULES AND REGULATIONS                                  |               |              |        |

#### 38. B. OTHER EXTENSIONS (continued)

- 2. amount refunded exceed the amount paid the Cooperative. After the end of the refund period, no refund will be required to be made. For additional consumers connected to an extension or lateral from the distribution line. the Cooperative shall refund to any consumer who paid for excessive footage the cost of 1,000 feet of line less the length of the lateral or extension.
- 3. An applicant desiring an extension to a proposed real estate subdivision may be required to pay the entire cost of the extension. Each year for a period of ten (10) years, the Cooperative shall refund to the applicant who paid for the extension, a sum equivalent to the cost of 1,000 feet of the extension installed for each additional member connected during the year; but in no case shall the total amount refunded exceed the amount paid to the Cooperative. After the end of the refund period from the completion of the extension, no refund will be required to be made.
- 4. The member may elect to clear the right-of way to reduce his cost of connection.

#### 39. LINE EXTENSION TO MOBILE HOMES

All extensions up to 300 feet from the nearest facility shall be made with entry that ge. A. **EFFECTIVE** 

В. All required fee charges and advances shall be paid before construction begins, and mobile home must be set in place before service can be extended. FEB 1 3 1998

C. The consumer shall install and own the meter pole and it shall fleet the rethe applicable codes and shall be located at a site designated by Shelby Energy But (T)

| <u> </u>     |                  |                             |                       |
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| TE OF ISSUE: | January 13, 1998 | EFFECTIVE DATE:             | February 13, 1998     |
| ISSUED BY:   | Dudly Botton.    | President & General Manager | Shelbyville, KY 40065 |
|              | Name of Officer  | Title                       | Address               |

|  | FOR           | All Territory Served |
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|  | P.S.C. No.    | 9                    |
|  | 1st Revised   | SHEET NO. 19         |
| elby Energy Cooperative, Inc.<br>onelbyville, Kentucky | CANCELLING P. | s.c. no. 8           |
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| RULES AND REGULATION                                   | NS            |                      |
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LINE EXTENSION TO MOBILE HOMES (continued)

- D. For extensions greater than 300 feet and less than 1,000 feet from the nearest facility, the Cooperative will charge a Consumer Advance For Construction (CAFC) based on the cost of construction for the portion of service beyond 300 feet, up to 1,000 feet.
  - 1. The CAFC shall be refunded to the consumer over a four year period in equal amounts for each year the service is continued, and the start of the period refund begins with the initial billing date.

PUBLIC SERVICE COMMISSION OF KENTUCKY **EFFECTIVE** 

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If the service is disconnected for a period of sixty (60) days or should the mobile home be removed and another not take its place or be replaced by a permanent structure, the remainder of the CAFC shall be forfeited.

'SUANT TO 807 KAR 5:911, SECTION 9 (1)

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No refunds shall be made to any consumer who did not make the CAFC originally.

DETARY OF THE COMMISSION 4. The member may elect to clear the right-of-way to reduce his cost of connection.

- For extensions greater than 1,000 feet the provisions, as stated in Part D, apply to the first E. 1,000 feet. For that portion of the line over 1,000 feet, the utility will charge the consumer the cost of construction for that portion of service beyond 1,000 feet. The deposit for that portion over 1,000 feet is subject to refund as follows:
  - 1. Each year for a period of ten (10) years, which shall be the refund period, for that portion over 1,000 feet the provisions of (38B) will apply.
- Mobile home meter poles shall be wired and inspected according to the applicable F. codes and shall be wired and inspected at the expense of the consumer.

| TE OF ISSUE: | September 23, 1997 | EFFECTIVE DATE:             | October 23, 1997      |
|--------------|--------------------|-----------------------------|-----------------------|
| ISSUED BY:   | Dull Betton . J.   | President & General Manager | Shelbyville, KY 40065 |
| 100012 211   | Name of Officer    | Title                       | Address               |

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|-------------------|---------------------------------|-----------------|------------------------------|--|-----------------------------------|----------------------------------|---|------------------------|--|--|-----------|
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| elby Ene          |                                 |                 | inc.                         |  |                                   |                                  |   |                        | CANCELLING                               | P.S.C. NO.   | 8         |
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|                   |                                 |                 | R                            | ULES AI                                  | ND REG                            | GULATIO                          | ONS   | •                      | J. J |  |           |
| 39.               | LINE                            | EXTEN           | ISION TO                     | MOBILE                                   | HOMES                             | (contin                          | ued)  |                        |  |  |           |
|                   | G.                              | Any conhome     | onsumer wh                   | no puts up<br>nanent res<br>, shall be 1 | a mobile<br>idence wl<br>refunded | e home l<br>hich is c<br>the CAI | ine extension<br>onnected di<br>C upon terr | irectly t              | o the line fo                            | nces his mobi<br>or which the<br>of the norma                  |           |
| 40.               | ELEC                            | CTRIC S         | ERVICE T                     | O CAMP                                   | S AND E                           | BARNS.                           | PUMPS, E                                    | ETC.                   |  |  |           |
| (T)<br>(T)<br>(T) | A.                              | usages          | , whereby l                  | low usage                                | is any us                         | sage pat                         |   | substant               |  | rvices with lo<br>nan that of an                               |           |
|                   | В.                              | All red         | quired fee c                 | harges an                                | d advanc                          | es shall                         | be paid befo                                | ore con                | struction be                             | gins.  |           |
| (T)               | C.                              | All ex          | tensions up                  | to 300 fe                                | et from th                        | he neare                         | st facility sl                              | hall be                | made witho                               | ut charge.   |           |
| (T)               | D.                              | Coope<br>of con | erative will<br>struction fo | charge a (<br>or the port                | Consumerion of ser                | r Advan                          | ce for Cons<br>yond 300 fe                  | struction<br>eet, up t | o 1,000 feet                             | est facility, t<br>ased on the c<br>The depos<br>fund as follo | ost<br>it |
|                   |                                 | 1.              |                              | for each ye                              | ear the se                        | rvice is                         |   |                        | ur year peri<br>start of the             | od in equal<br>period refur                                    | nd        |
| EFFE              | CE COMM<br>NTUCKY<br>CTIVE      | ۷.              | be remove                    | ed and and                               | other not                         | take its                         |   | replace                | d by a perr                              | uld the servionanent   | ce        |
| PURSUANT TO       | 0 807 KAF<br>10N 9 (1)<br>10 Ba |                 |                              |  |                                   |                                  |   |                        |  |  |           |

Name of Officer

September 23, 1997

TE OF ISSUE:

ISSUED BY:

President & General Manager Title

**EFFECTIVE DATE:** 

October 23, 1997 Shelbyville, KY 40065

Address

| ∋lby Enel<br>_,(elbyville, |                | pperative, Inc.<br>ky                                | PUBLIC SERVICE COMMISSION<br>OF KENTUCKY<br>EFFECTIVE  | FOR All Territory Served  P.S.C. No. 8  Original SHEET NO. 21  CANCELLING P.S.C. NO. 7 |
|----------------------------|----------------|--|--|--|
|                            | Name           | e of Issuing Corporation                             | JUN 04 1997  | OUEET NO   |
|                            |                | RULES AI   | PURSUANT TO 807 KAR 5:011.<br>ND REGULGECHOUS (1)  | SHEET NO.  |
| 40.                        | ELE            | CTRIC SERVICE TO CAMP                                | BY: SRPAND BUU<br>SECRETARY OF THE COMMISSION<br>PS AND BARNS, PUMPS, ETC.   | (continued)  |
|                            | D.             | 3. No refunds shall be originally.                   | made to any consumer who did i   | not make the CAFC  |
|                            |                | 4. The member may e                                  | lect to clear the right-of-way to re   | educe his cost of connection.  |
|                            | E.             | the first 1,000 feet.                                | ter than 1,000 feet the provisions  For that portion of the line over er the cost of construction for that posit for that portion over 1,000 feets | 1,000 feet, the utility will tportion of service beyond                                |
|                            |                | •  | iod of ten (10) years, which shall feet the provisions of (38B) will a   |  |
|                            | F.             | with a permanent residence                           | p a service line extension CAFC are which is connected directly to the refunded the CAFC upon terms are permanent residence.                       | he line for which the  |
| 41.                        | UNI            | DERGROUND ELECTRIC S                                 | ERVICE   |  |
|                            | indiv<br>all p | viduals and subdivisions, the                        | rmulate requirements for undergr<br>application of which will insure a<br>action, maintenance, operation, an<br>aral.                              | dequate service and safety to  |
|                            | A.             |  | shall only apply to underground ectric distribution within the defi  |  |
|                            | В.             | <u>Definitions</u> - The followin meaning indicated: | ng words and terms, when used in   | this policy, shall have the  |
|                            |                |  |  |  |
| ATE OF I                   | SSUE:          | June 11, 1997  | EFFECTIVE DATE:  | June 4, 1997   |

June 11, 1997

EFFECTIVE DATE:

June 4, 1997

President & General Manager

Name of Officer

Title

Address

ISSUED BY:

|  |                           | FOR        | All Territory | Served |
|--|---------------------------|------------|---------------|--------|
|  |                           | P.S.C. No. | 8             |        |
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| Name of Issuing Corporation  | JUN 04 1997               |            | SHEET NO.     |        |
| RULE   | S AND REPORTED NA 5.011   |            |               |        |
|  | BY: Stephan Bu            |            |               |        |

# 41. UNDERGROUND ELECTRIC SERVICE (continued in second seco

B. <u>Applicant</u> - The developer, builder, or other person, partnership, association, corporation, or governmental agency applying for the installation of an underground electric distribution system.

Building - A structure enclosed within exterior walls or fire walls built, erected, or framed of component structural parts and designed for less than five (5) family occupancy.

<u>Multiple-Occupancy Building</u> - A structure enclosed within exterior walls or fire walls, built, erected, and framed of component structural parts and designed to contain five (5) or more individual dwelling units.

<u>Distribution System</u> - Electric service facilities consisting of primary and secondary conductors, transformers, and necessary accessories and appurtenances for the furnishing of electric power at utilization voltage.

<u>Subdivision</u> - The tract of land which is divided into ten (10) or more lots for the construction of new residential buildings, or the land on which is constructed two (2) or more new multiple occupancy buildings.

Commission - The Public Service Commission

Trenching and Backfilling - Opening and preparing the ditch for the installation of conduits, raceways, and conductors, providing a sand bedding when required, and the compacting and backfilling of trench to ground level.

### C. Right-of-Way and Easements

1. The Cooperative shall construct or cause to be constructed, own, operate, and maintain distribution lines only along easements, public streets, roads, and highways which are by legal right accessible to the Cooperative's equipment and which the Cooperative has the legal right to occupy, and the public lands and

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| ISSUED BY:   | Dudl Botton . J. | President & General Manager | Shelbyville, KY 40065 |
| 100025 511   | Name of Officer  | Title                       | Address               |

|  |   | FOR        | All Territory | Served |
|--|---|------------|---------------|--------|
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| Name of Issuing Corporation                            | FLIFOURE  |            |               |        |
|  | HIN A 1007  |            | SHEET NO.     |        |
| RULES  | JUN 04 1997<br>AND REGULATIONS                        |            |               |        |
|  | PURSUANT TO 807 KAR 5:011,<br>SECTION 9 (1)           |            |               |        |

# 41. UNDERGROUND ELECTRIC SERVENCE SECRETARY OF THE COMMISSION

- C. 1. private property across which rights-of-way and easements satisfactory to the Cooperative are provided without cost or condemnation by the Cooperative.
  - 2. Rights-of-way and easements suitable to the Cooperative for the underground distribution facilities must be furnished by the applicant in reasonable time to meet service requirements. The applicant shall make the area in which the underground distribution facilities are to be located accessible to the Cooperative's equipment, remove all obstructions from such area, stake to show property lines and final grade, perform rough grading to a reasonable approximation of final grade, and maintain clearing and grading during construction by the Cooperative. Suitable land rights shall be granted to the Cooperative, obligating the applicant and subsequent property owners to provide continuing access to the Cooperative for operation, maintenance, or replacement of its facilities, and to prevent any encroachment in the Cooperative's easement including changes in grade or elevation thereof.
- D. Installation of Underground Distribution System Within New Subdivision
  - 1. Where appropriate contractual arrangements have been made, the Cooperative shall install within the subdivision an underground electric distribution system of sufficient capacity and suitable materials which, in its judgment will assure that the property owners will receive safe and adequate electric service for the foreseeable future.
  - 2. All singe-phase conductors installed by the utility shall be underground. Appurtenances such as transformers, pedestal-mounted terminals, switching equipment, and meter cabinets may be placed above ground.
  - 3. Three-phase primary mains or feeders required within a subdivision to supply local distribution or to serve individual three-phase loads may be overhead unless underground is required by governmental authority or chosen by the applicant, in

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| ISSUED BY:    | Dudly Botton . g. | President & General Manager | Shelbyville, KY 40065 |
| 100010 011    | Name of Officer   | Title                       | Address               |

|  | <b></b>                                   | FOR         | All Territory | Served |
|--|---|-------------|---------------|--------|
|  | PUBLIC SERVICE COMMISSOF KENTUCKY         | SION.C. No. | 8             |        |
|  | EFFECTIVE                                 | Original    | SHEET NO.     | 24     |
| કlby Energy Cooperative, Inc.<br>_તelbyville, Kentucky | JUN 04 1997                               | CANCELLING  | P.S.C. NO.    | 7      |
| Name of Issuing Corporation                            | PURSUANT TO 807 KAR 5:01<br>SECTION 9 (1) | 1.          | SHEET NO.     |        |
| RULES AI   | ND REGULATION 9 (1)                       |             |               |        |

# 41. <u>UNDERGROUND ELECTRIC SERVICE</u> (continued)

- D. Installation of Underground Distribution System Within New Subdivision
  - either of which case the differential cost of underground shall be borne by the applicant.
  - 4. If the Applicant has complied with the requirements herein and has given the Cooperative not less than 120 days written notice prior to the anticipated date of completion (i.e., ready for occupancy) of the first building in the subdivision, the Cooperative shall complete the installation 30 days prior to the estimated completion date. (Subject to weather and ground conditions and availability of materials and barring extraordinary or emergency circumstances beyond the reasonable control of the Cooperative). However, nothing in this policy shall be interpreted to require the Cooperative to extend to service portions of the subdivisions not under active development.
  - 5. A non-refundable payment shall be made by the Applicant equal to the difference between the cost of providing underground facilities and that of providing overhead facilities. The payment to be made by the applicant shall be determined from the total footage of single-phase primary, secondary and service conductor to be installed at an average per foot cost differential in accordance with the average cost differential filed with the Public Service Commission. Where rock, shale, or other impairments are anticipated or encountered in construction, the actual increased cost of trenching and backfilling shall be borne by the Applicant.
  - 6. The Applicant may be required to contribute the entire estimated cost of the extension. If this is done, the amount contributed in excess of the normal charge for the underground extensions, as provided in Paragraph 5 above shall be refunded to the Applicant over a ten (10) year period as provided by the Public Service Commission.
  - 7. The Cooperative normally will perform or cause to be performed all necessary trenching and backfilling. The Applicant may elect to perform all necessary

| TE OF ISSUE: | June 11, 1997     | EFFECTIVE DATE:             | June 4, 1997          |
|--------------|-------------------|-----------------------------|-----------------------|
| SUED BY:     | Dadle Botton . J. | President & General Manager | Shelbyville, KY 40065 |
|              | Name of Officer   | Title                       | Address               |

# PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

| FOR          | All Territory Served |    |  |
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| P.S.C. No.   |                      |    |  |
| Original     | SHEET NO.            | 25 |  |
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SHEET NO.

nelby Energy Cooperative, Inc.

JUN 04 1997

Name of Issuing Corporation

PURSUANT TO 807 KAR 5:011.
SECTION 9 (1)
BY: Stephan Clubble AND BRIEFING THE STATE OF THE STATE

## 41. UNDERGROUND ELECTRIC SERVICE (continued)

- D. Installation of Underground Distribution System Within New Subdivision
  - 7. trenching and backfilling in accordance with the Cooperative's specification. The Cooperative shall then credit the Applicant's cost in an amount equal to the Cooperative's normal cost for trenching and backfilling. However, the Cooperative personnel must be present at the time of backfilling if the Applicant elects to trench and backfill.
  - 8. The Cooperative shall furnish, install, and maintain the service lateral to the Applicant's meter base. The Applicant may elect to perform the trenching, conduit installation, and backfilling relative to the installation of the service lateral. This work performed by the applicant must be inspected and approved by Cooperative personnel or agents before backfilling is completed. The Cooperative shall then credit the Applicant's cost in an amount equal to the Cooperative's normal cost for such work.
  - Plans for the location of all facilities to be installed shall be approved by the Cooperative and Applicant prior to construction. Alterations in plans by the Applicant which require additional cost of installation or construction shall be at the sole expense of the Applicant.
  - 10. The Cooperative shall not be obligated to install any facility within a subdivision until satisfactory arrangements for the payment of charges have been completed by the Applicant.
  - 11. The charges specified in these rules are based on the premise that each Applicant will cooperate with the Cooperative in an effort to keep the cost of construction and installation of the underground electric distribution system as low as possible and make satisfactory arrangements for the payment of the above charges prior to the installation of the facilities.

| ~             |                 |                             |                       |
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| ATE OF ISSUE: | June 11, 1997   | EFFECTIVE DATE:             | June 4, 1997          |
| ISSUED BY:    | Dudla Botton J. | President & General Manager | Shelbyville, KY 40065 |
| 133020 01.    | Name of Officer | Title                       | Address               |

| Form for filing Rate Schedule |   | FOR  | All Territory Served  |  |   |   |
|-------------------------------|---|--|---|--|---|---|
|                               |   |  |   |  | Community, Town of  | or City   |
|                               |   |  |   | P.S.C. N   | lo.   | 8   |
|                               |   |  |   | 1st Revis  | sed Sheet No.   | 26  |
| Shelb                         | y Energy  | / Cooperati  | ive, Inc.   | Cancelin   | g P.S.C. No.  | 8   |
| Shelb                         | yville, K`  |  |   | Original:  | Sheet No.   | 2 <b>&amp;</b>  |
|                               |   | Name o   | of Issuing Corporation  |  |   |   |
|                               |   |  | RULES AN  | ID REGULATION:   | S   |   |
| 41.                           | UNDE  | RGROUN   | D ELECTRIC SERVICE contir   | nued   |   |   |
|                               | D.  | Installa   | ation of Underground Distribution   | on System Within   | New Subdivisions  |   |
|                               |   | 12.  | All electrical facilities shal<br>and Regulations of the Pu<br>Shelby Energy specificati  | ublic Service Com  |   |   |
|                               |   | 13.  | For all other development underground distribution of Construction to the Cooperative facilities, which it would o  | will be installed pro<br>erative is made in<br>'s estimated cost o   | ovided a Customer Ad<br>an amount equal to th   | vance For<br>e difference   |
| 42.                           | METE  | R TESTIN   | <u>IG</u>   |  |   |   |
|                               | tested<br>compl<br>depos<br>consu<br>issued<br>be bill<br>meter | periodical ied with by it. If the mer and a by the Coed for the coeds within | vatt-hour meter installed by the ly without charge to the consult the Cooperative and the consulter tests more than 2% fast, credit, based on Public Service to the consumer. If difference, based on Public Sent the Commission's limits, the notests may not be made more | mer. Any other resumer may be requested \$32.50 deposing the Commission Rule the meter is more ervice Commission \$32.50 may be resumed. | equest for meter test shall be returned to pay a \$32.50 returned to the shall be returned to the sand Regulations shall be than 2% slow, the mental Rules and Regulation stained to offset the contents. | nall be neter test (I) ne (I) nall be mber shall ns. If the st of the (I) |
| 32.                           | TAXE  | <u>s</u>   |   |  |   |   |
|                               | subsc<br>Tax fo   | ribers, the<br>or schools i  | authority vested in KRS 139.2<br>sales and use tax imposed by<br>is authorized by KRS 160.613<br>KRS 160.617, which authorize   | KRS 1239.200. shall be added to  | The Utility Gross Rece<br>all applicable subscrib   | eipts License   |
| DATE                          | E OF ISS  | SUE  | December 31, 2009   | DATE E   | FFECTIVE; Februa  | ry 1, 2010  |

TITLE:

President & CEO

ISSUED BY

Name of Officer

|   | FOR        | All Territory | Served |
|---|------------|---------------|--------|
|   | P.S.C. No. | 8             |        |
| ւelby Energy Cooperative, Inc.<br>ււelbyville, Kentucky | Original   | SHEET NO.     | 27     |
|   | CANCELLING | P.S.C. NO.    | 7      |
| Name of Issuing Corporation                             |            |               |        |
|   |            | SHEET NO.     |        |
| RULES AND REGULATIONS                                   |            |               |        |

#### **VOLTAGE FLUCTUATIONS CAUSED BY MEMBER OR CONSUMER** 44.

Electric service must not be used in such a manner as to cause unusual fluctuations or disturbances to the Distribution System. The Cooperative may require the consumer, at his/her own expense, to install suitable apparatus which will reasonably limit such fluctuation.

#### 45. CONFLICT

In case of conflict between any provisions of any rate schedule and the schedule of Rules and Regulations, the rate schedule/tariff shall apply.

#### FILING AND POSTING 46.

A copy of these Rules and Regulations, together with a copy of the Cooperative's schedule of rates and charges, shall be kept open to inspection at the office of the Cooperative.

#### 47. CLASSIFICATION OF CONSUMERS

Classification of consumers for accounting purposes is in accordance with the prescribed RUS Manual of Accounts.

#### 48. STANDARD NOMINAL VOLTAGES

The standard nominal voltages for single and polyphase services throughout the distribution system are as specified below. Availability of a service voltage(s) is contingent upon existing service voltages(s) and other system parameters.

| Single Phase (volts) | Three Phase (volts)                                   |   |
|----------------------|---|---|
| 120/240<br>240/480   | 120/208 Y<br>240 delta                                | PUBLIC SERVICE COMMISSION<br>OF KENTUCKY<br>EFFECTIVE                                 |
| 7,200<br>14,400      | 240 delta, 120/240 lighting<br>277/480 Y<br>480 delta | JUN 04 1997   |
|                      | 7,200/12,470 Y<br>14,400/24,940 Y                     | PURSUANT TO 807 KAR 5:011. SECTION 9 (1) BY: Stephand Buy SECRETARY OF THE COMMISSION |

June 4, 1997 **EFFECTIVE DATE:** TE OF ISSUE: June 11, 1997 Shelbyville, KY 40065 President & General Manager ISSUED BY:

Name of Officer

Title

Address

|   | FOR             | All Territory | Served |
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|   | P.S.C. No.      | 9             |        |
|   | 3rd Revised     | SHEET NO.     | 28     |
| Shelby Energy Cooperative, Inc. Shelbyville, Kentucky | CANCELLING P.S. | C. NO.        | 8      |
| Name of Issuing Corporation                           | 2nd Revised     | SHEET NO.     | 28     |
| RULES AND REGULATIONS                                 | •               |               |        |



# Shelby Energy Cooperative, Inc.

Your Touchstone Energy Partner P.O. Box 309 Shelbyville, KY 48066-0309

(502) 633-4420 (502) 845-2845 (502) 255-3001 (800) 292-6585 Office Hours: 7:30 a.m. - 4:30 p.m. EST Monday - Friday

Website: www.shelbyenergy.com ACCOUNT HAME: ACCOUNT NUMBER SERVICE ADDRESS METER NUMBER BILL DATE METER REACHIG METER
PRESENT ESTIMATED MULTIPLIER SERVICE PERIOD DAYS BENACE: OTOTAL KWHOOD AVOLKWROAY: O SERVICE LOCATION ( CCMPARMONS CURRENT OLLUMO PERSOD TOTAL DUE NOW DUE DATE BILL IS DELINQUENT AFTER DUE DATE PREVIOUS BILLING REPOOR RATE AFTER DUE DATE PAY CUSTOMER CHOICE PROGRAMS - AUTOMATIC BANK DRAFT PAYMENT, LEVELIZED BILLING AND FIXED BUDGET BILLING, CALL OUR OFFICE FOR DETAILS.

IMPORTANT INFORMATION FROM YOUR ELECTRIC COOPERATIVE

Payments are accepted at our offices in Shelbyville & Bedford, KY.

Outside depository is available after hours for your convenience.

Please allow ample time for delivery before the due date when mailing your payment.

Failure to receive bill does not void penalties for late payment and service disconnection.

To Report a Power Outage, Call 1-800-292-5585

Ask us about customized billing:

- \*Automatic Bank Draft Payment
- \* Levelized/Fixed Billing
- Outdoor Lighting
- \* Optional Residential Rate

KEEP THIS STATEMENT FOR YOUR RECORDS
PLEASE DETACH AND RETURN THIS PORTION WITH PRYMENT

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|   |   |   |

SHELBY ENERGY COOPERATIVE, INC.
Your Telebrone Energy Parinet ACC.
P. O. Box 309
Shelbyville, KY 40088-0309
ADDRESS SERVICE REQUESTED

Voluntary donations to WinterCare will help leas

|                  |               | 8100       |      |
|------------------|---------------|------------|------|
| ACCOUNT NUMBER   | CYC           | LE         | DATE |
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| WINTERCARE DONA  |               | 3.         |      |
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PUBLIC SERVICE COMMISSION

SECTION 9 (1)

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| ATE OF ISSUE: | October 5, 2006 | EFFECTIV         |                              |
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| ISSUED BY:    |                 | President and CE | O Execution Disputerky 40065 |
|               | Name of Officer | Title            | Address                      |

| 1st Revised SHEET NO. 2                              | P.S.C. No.  |   |               |       |
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| Original SHEET NO. 2                                 | CANCELLING  | -   | rille, Kentud | -     |
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|  | ID REGULATIONS  | RULES AN  |               |       |
| . Case No. 353                                       | OL PROGRAM - Re: PSC Admin. Case No   | ENERGY EMERGENCY CONTRO   | O. ENE        | 50.   |
|  | ucing the consumption of electric energy on sent of a severe electric energy shortage.  |   |               | (T)   |
| n established:                                       | following priority levels have been establish   | or the purpose of this program, the                                       | For the       |       |
|  | Uses as defined in Appendix A   | I. Essential Health and Safety I  | I.            |       |
|  |   | II. Residential Use   | II.           |       |
|  | Jses  | II. Commercial and Industrial U   | III.          |       |
|  | ned in Appendix B   | V. Nonessential Uses as defin   | IV.           |       |
|  |   | V. Interruptible Loads  | v.            |       |
|  | •   | VI. Direct Load Control   | VI.           |       |
| energy shortage, and the o the extent not prohibited | Cooperative, East Kentucky Power Cooperaty in the event of a severe electric energy should. These steps will be carried out to the extended of the regulatory authorities having juri | "EKPC"), will notify Shelby Energy<br>collowing steps will be implemented | ("EK<br>follo |       |
|  | the following actions listed in priority order  | EKPC and Shelby Energy will take  | EKP           |       |
|  | oad Control and notify Shelby Energy.   | . EKPC will initiate Direct Lo  | 1.            |       |
| ••   | otible Loads and notify Shelby Energy.  | . EKPC will interrupt Interrup  | 2.            |       |
| PURSUANT TO 807 KAR 5.01?<br>endix C. SECTION 9 (1)  | ts Load Reduction Procedure, Appendix C.  | . Shelby Energy will initiate it  | 3.            |       |
| · · · · · · · · · · · · · · · · · · ·                | · · · · · · · · · · · · · · · · · · ·   |   |               |       |

President & General Manager Shelbyville, KY 40065

Name of Officer Title Address

ISSUED BY:

|                               | FOR          | All Territor | y Served |
|-------------------------------|--------------|--------------|----------|
|                               | P.S.C. No.   | 8            |          |
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| elby Energy Cooperative, Inc. |              |              |          |
| ુ∩elbyville, Kentucky         | CANCELLING P | .S.C. NO.    | 7        |
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|                               |              | SHEET NO.    |          |
| RULES AND REGULATION          | IS           |              |          |

- 50. ENERGY EMERGENCY CONTROL PROGRAM (continued)
  - 4. EKPC will notify Shelby Energy to initiate its Voltage Reduction Procedure, Appendix D.
  - 5. EKPC will notify Shelby Energy and EKPC and Shelby Energy will initiate media appeal for general Voluntary Load Reduction Procedure, Appendix E.
  - 6. EKPC will, in coordination with other Kentucky electric utilities, request the Governor to declare a statewide Energy Emergency.
  - 7. EKPC will request Shelby Energy to initiate mandatory load reduction of up to twenty percent (20%) in five percent (5%) steps, Appendix F.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

JUN 04 1997

PURSUANT TO 807 KAR 5:011, SECTION 9 (1) BY: Stephand Buy SECRETARY OF THE COMMISSION

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| ATE OF ISSUE: | June 11, 1997     | EFFECTIVE DATE:             | June 4, 1997          |
| ISSUED BY:    | Duelly Botton, In | President & General Manager | Shelbyville, KY 40065 |
|               | Name of Officer   | Title                       | Address               |

|                                |   | FOR                   | All Territor | Served   |
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|                                | PUBLIC SERVICE COMMISSION<br>OF KENTUCKY<br>EFFECTIVE | P.S.C. No.            | 8            |  |
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| nelby Energy Cooperative, Inc. | JUN 04 1997   | CANCELLING P.S.C. NO. |              | 7  |
| Name of Issuing Corporation    | PURSUANT TO 807 KAR 5:011.<br>SECTION 9 (1)           |                       | SHEET NO.    | la galadi di Para sa |
| RULES AN                       | D REGULATION OF THE COMMISSION                        |                       |              |  |

#### APPENDIX "A"

#### ESSENTIAL HEALTH AND SAFETY USES

Essential health and safety uses given special consideration in these procedures shall, insofar as the situation permits, include the following types of use and such other uses which the Commission may subsequently identify:

- (a) "Hospitals", which shall be limited to institutions providing medical care to patients.
- (b) "Life Support Equipment", which shall be limited to kidney machines, respirators, and similar equipment used to sustain the life of a person.
- (c) "Police Stations and Government Detention Institutions", which shall be limited to essential uses required for police activities and the operation of facilities used for the detention of persons. These uses shall include essential street, highway and signallighting services.
- (d) "Fire Stations", which shall be limited to facilities housing mobile fire-fighting apparatus.
- (e) "Communication Services", which shall be limited to essential uses required for telephone, telegraph, television, radio and newspaper operations.
- (f) "Water and Sewage Services", which shall be limited to essential uses required for the supply of water to a community, flood pumping and sewage disposal.
- (g) "Transportation and Defense-related Services", which shall be limited to essential uses required for the operation, guidance control and navigation of air, rail and mass transit systems, including those uses essential to the national defense and operation of state and local emergency services.
- (h) "Other Energy Source Services", which shall be limited to essential uses required for the production, transportation, transmission and distribution -- for fuel -- of natural or manufactured gas, coal, oil or gasoline.

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| ATE OF ISSUE: | June 11, 1997     | EFFECTIVE DATE:             | June 4, 1997          |
| ISSUED BY:    | Durch Botton, Jr. | President & General Manager | Shelbyville, KY 40065 |
| •             | Name of Officer   | Title                       | Address               |

|  | FOR        | All Territory Served |    |
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| զիelby Energy Cooperative, Inc.<br>_nelbyville, Kentucky | CANCELLING | P.S.C. NO.           | 7  |
| Name of Issuing Corporation                              |            |                      |    |
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| RULES AND REGULATIONS                                    |            |                      |    |

(i) "Perishable Food or Medicine", which shall be limited to refrigeration for the storage and preservation of perishable food or medicine, when that use is substantially all of the

customer's load.

Appendix "A" - Essential Health and Safety Uses (continued)

Although these types of uses will be given special consideration when implementing the manual load-shedding provisions of this procedure, these customers are encouraged to install emergency generation equipment if continuity of service is essential. In case of customers supplied from two utility sources, only one source will be given special consideration. Also, any other customers who, in their opinion, have critical equipment should install emergency generation equipment. Shelby Energy's specific emergency list is on file in its office.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

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PURSUANT TO 807 KAR 5:011.
SECTION 9 (1)
BY: SECRETARY OF THE COMMISSION

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| ISSUED BY:    | Death Botton . In | President & General Manager | Shelbyville, KY 40065 |
|               | Name of Officer   | Title                       | Address               |

|   | FOR          | All Territory | Served |
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| RULES AND REGULATIONS                                   |              |               |        |

#### APPENDIX "B"

#### NONESSENTIAL USES

The following and similar types of uses of electric energy and others which the Commission may subsequently identify shall be considered nonessential for all customers:

- (a) Outdoor flood and advertising lighting, except for the minimum level to protect life and property, and a single illuminated sign identifying commercial facilities when operating after dark.
- (b) General interior lighting levels greater than minimum functional levels.
- (c) Show-window and display lighting.
- (d) Parking-lot lighting above minimum functional levels.
- (e) Energy use greater than that necessary to maintain a temperature of not less than 76 degrees during operation of cooling equipment and not more than 68 degrees during operation of heating equipment.
- (f) Elevator and escalator use in excess of the minimum necessary for non-peak hours of use.
- (g) Energy use greater than that which is the minimum required for lighting, heating or cooling of commercial or industrial facilities for maintenance cleaning or business-related activities during non-business hours.

  PUBLIC SERVICE COMMISSION
  OF KENTUCKY
  EFFECTIVE

JUN 04 1997

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY: Stephan BLU
SECRETARY OF THE COMMISSION

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| ATE OF ISSUE: | June 11, 1997    | EFFECTIVE DATE:             | June 4, 1997          |
| ISSUED BY:    | Dudle Bottom Jr. | President & General Manager | Shelbyville, KY 40065 |
|               | Name of Officer  | Title                       | Address               |

| PUBLIC SERVICE COMMISSION<br>OF KENTUCKY  | FOR  | All Territory  | Served  |
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| JUN 04 1997   |  | P.S.C. NO.   | 7   |
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#### APPENDIX "C"

## LOAD REDUCTION PROCEDURE

### Objective:

To reduce demand at Shelby Energy's facilities over the time period during which an electric energy shortage is anticipated.

#### Criteria:

This procedure is implemented when a *Load Reduction Alert* is issued. The President and General Manager has the responsibility of issuing a Load Reduction Alert.

#### Procedure:

- 1. The President and General Manager receives notice from EKPC of capacity shortage.
- 2. The President and General Manager is responsible for seeing that employees are participating in achieving the largest load reduction possible while still maintaining the service of the facility and not unduly jeopardizing safety.
- 3. Each Department Manager is responsible for seeing that employees are participating in achieving the largest load reduction possible while still maintaining the service of the facility and not unduly jeopardizing safety.
- 4. Examples of load reduction are:
  - turning off all but a minimum of indoor and outdoor lighting
  - turning off microcomputers, printers, copiers, and other office equipment except as they are used
  - in the winter, setting thermostats no higher than 68 degrees, and in the summer no lower than 76 degrees

| <u> </u>      |                 |                             |                       |
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| .TE OF ISSUE: | June 11, 1997   | EFFECTIVE DATE:             | June 4, 1997          |
| ISSUED BY:    | Dudle Botton,   | President & General Manager | Shelbyville, KY 40065 |
| •             | Name of Officer | Title                       | Address               |

|                               | FOR            | All Territory Served |
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|                               | P.S.C. No.     | 8                    |
|                               | Original       | SHEET NO. 35         |
| alby Energy Cooperative, Inc. | CANCELLING P.S | .c. no. 7            |
| Name of Issuing Corporation   |                |                      |
|                               |                | SHEET NO.            |
| RULES AND REGULATION          | NS             |                      |

# APPENDIX "D"

#### **VOLTAGE REDUCTION PROCEDURE**

#### Objective:

To reduce demand on Shelby Energy's system over the period during which an electric energy shortage is anticipated by reducing the set point on system voltage regulators.

#### Criteria:

This procedure is implemented when requested by EKPC System Operator.

#### Procedure:

Shelby Energy will immediately dispatch personnel to reduce set points on regulators as much as possible while continuing to maintain minimum voltage requirements as prescribed by the Kentucky Public Service Commission. Shelby Energy's specific plan is on file in its office.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

JUN 04 1997

PURSUANT TO 801 (1)
SECTION 9 (1)
BY: Stephan BUL
TABY OF THE COMMISSION

TE OF ISSUE: June 11, 1997 EFFECTIVE DATE: June 4, 1997

ISSUED BY: President & General Manager Shelbyville, KY 40065

Name of Officer

Title

Address

|   | FOR          | All Territory Serve |    |
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|   | P.S.C. No.   | 8                   |    |
|   | 1st Revised  | SHEET NO.           | 36 |
| nelby Energy Cooperative, Inc.<br>anelbyville, Kentucky | CANCELLING P | P.S.C. NO.          | 8  |
| Name of Issuing Corporation                             | Original     | SHEET NO.           | 36 |
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#### APPENDIX "E"

#### **VOLUNTARY LOAD REDUCTION PROCEDURE**

#### Objective:

To reduce demand on Shelby Energy's system over the period during which an electric energy shortage is anticipated through media appeal for consumers to curtail energy use.

#### Criteria:

This procedure is implemented when requested by EKPC Marketing and Communications Division personnel.

#### Procedure:

Notify the following radio stations: WHAS, Louisville; WIKI, Carrollton; WKX, Eminence; and WCND, Shelbyville of the electrical shortage and ask them to make the public service announcement recommended by EKPC personnel. An example announcement is as follows:

#### "Attention all Rural Electric Members:

Shelby Energy is experiencing a critical shortage of electricity to its members, and is requesting that all non-essential electrical appliances and lighting be turned off, and thermostats be lowered/raised immediately until (time of emergency).

Shelby Energy is encountering record high usage of electricity during this period of extreme low/high temperatures, and to help us keep from having a power blackoup the COMMISSION OF KENTÜCKY your help NOW until (time of emergency).

EFFECTIVE

Please turn off all electricity you do not have to have on.

FEB 13 1998

Thank you for your cooperation."

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Notify the following industrial or large commercial consumers to request them to cuttail their energy use as well: Shelby Energy's specific industrial or large commercial consumer listing is on file in its office.

| ATE OF ISSUE:                           | January 13, 1998  | <b>EFFECTIVE DATE:</b>      | February 13, 1998     |
|---|-------------------|-----------------------------|-----------------------|
| ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, |                   |                             |                       |
| ISSUED BY:                              | Dudler Bottom. V. | President & General Manager | Shelbyville, KY 40065 |
|   | Name of Officer   | Title                       | Address               |

|  | FOR        | All Territory | Served |
|--|------------|---------------|--------|
|  | P.S.C. No. | 8             |        |
|  | Original   | SHEET NO.     | 37     |
| delby Energy Cooperative, Inc.<br>delbyville, Kentucky | CANCELLING | P.S.C. NO.    | 7      |
| Name of Issuing Corporation                            |            |               |        |
|  |            | SHEET NO.     |        |
| RULES AND REGULATIONS                                  | •          |               |        |

#### APPENDIX "F"

## MANDATORY LOAD CURTAILMENT PROCEDURE

#### Objective:

To reduce demand on Shelby Energy's system over the period during which an electric energy shortage is anticipated by interrupting firm consumer load in five percent (5%) blocks up to a total of twenty percent (20%) of the system load.

#### Criteria:

This procedure is implemented when requested by the EKPC System Operator. This procedure will only be requested after the Governor of Kentucky has issued a statewide State of Emergency Order.

#### Procedures:

Shelby Energy will immediately dispatch personnel to interrupt service to member consumer loads to achieve the reduction requested by EKPC. This may be achieved by interrupting services to certain nonessential loads for the entire period of the emergency or by rotating outages to various substation feeder circuits. Shelby Energy's specific plan is on file in its office.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

JIJN 114 1997

PURSUALL IC 801 KAR 5011. SECTION 9 (1)

SECRETARY OF THE COMMISSION

| TE OF ISSUE: | June 11, 1997   | EFFECTIVE DATE:             | June 4, 1997          |
|--------------|-----------------|-----------------------------|-----------------------|
| ISSUED BY:   | Dudly Botton .  | President & General Manager | Shelbyville, KY 40065 |
|              | Name of Officer | Title                       | Address               |

| Form for filing Rate Schedule   | FOR All Territory Serve | ed        |
|---------------------------------|-------------------------|-----------|
| Form for ming Nate Schedule     | Community, Towr         | n or City |
|                                 | P.S.C. No.              | 5         |
|                                 | 4th Revised Sheet No.   | 1         |
|                                 |                         |           |
| Shelby Energy Cooperative, Inc. | Canceling P.S.C. No.    | 5         |
|                                 | 3rd Revised Sheet No.   | 1         |
| Shelbyville, KY                 |                         |           |

Name of Issuing Corporation

|               | CLASSIFICATION    | ON OF SERVICE   |                  |
|---------------|-------------------|-----------------|------------------|
|               |                   |                 | Rate<br>Per Unit |
|               | Reserved for Fu   | ture Use        |                  |
| -             |                   |                 |                  |
|               |                   |                 |                  |
|               |                   |                 |                  |
|               |                   |                 |                  |
|               |                   |                 | 5.1              |
| DATE OF ISSUE | December 31, 2009 | DATE EFFECTIVE; | February 1, 2010 |
| ISSUED BY     |                   | TITLE:          | President & CEO  |

ISSUED BY

Name of Officer

| Form for filing Rate Sc | hedule            | FOR All Territory                          | Served City         |
|-------------------------|-------------------|--|---------------------|
|                         |                   | P.S.C. No.                                 | , Town or City<br>5 |
|                         |                   | 7th Revised Sheet No.                      | 2                   |
|                         |                   |  | -                   |
| Shelby Energy Cooper    | ative, Inc.       | Canceling P.S.C. No. 6th Revised Sheet No. | <u> 5</u> 2         |
| Shelbyville, KY         | suing Corporation | oth Revised Sheet No.                      |                     |
| Name or is              |                   |  |                     |
|                         | CLASSIFICATIO     | N OF SERVICE                               |                     |
|                         |                   |  | Rate                |
|                         |                   |  | Per Unit            |
|                         |                   |  |                     |
|                         |                   |  |                     |
|                         |                   |  |                     |
|                         | Reserved for Futu | ire Use                                    |                     |
|                         |                   |  |                     |
|                         |                   |  |                     |
|                         |                   |  |                     |
| <b> </b> -              |                   |  |                     |
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|                         |                   |  |                     |
|                         |                   |  |                     |
| DATE OF ISSUE           | December 31, 2009 | DATE EFFECTIVE;                            | February 1, 2010    |
|                         |                   | TITLE:                                     | President & CEO     |
| ISSUED BY               | Name of Officer   |  | i resident d OLO    |

Form for filing Rate Schedule

FOR

All Territory Served
Community, Town or City

|                                 | P.S.C. No.            | 5 |
|---------------------------------|-----------------------|---|
|                                 | 3rd Revised Sheet No. | 3 |
| Shelby Energy Cooperative, Inc. | Canceling P.S.C. No.  | 5 |
| Shelbyville, KY                 | 2nd Revised Sheet No. | 3 |
| Name of Issuing Corporation     |                       |   |

| CLASSIFICATION OF SERVICE  |                  |  |
|----------------------------|------------------|--|
|                            | Rate<br>Per Unit |  |
|                            |                  |  |
| Reserved for Future Use    |                  |  |
| -                          |                  |  |
|                            |                  |  |
|                            |                  |  |
|                            |                  |  |
|                            |                  |  |
|                            |                  |  |
|                            |                  |  |
|                            |                  |  |
| DATE FEFECTIVE: Fobruser/1 | 2010             |  |

| DATE OF ISSUE | December 31, 2009 | DATE EFFECTIVE; | February 1, 2010 |  |
|---------------|-------------------|-----------------|------------------|--|
| 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 |
|---------------------------------|-----------------------|---|
|                                 | 1st Revised Sheet No. | 4 |
| Shelby Energy Cooperative, Inc. | Canceling P.S.C. No.  | 5 |
| Shelbyville, KY                 | Original Sheet No.    | 4 |
| Name of Issuing Corporation     |                       |   |

|               | CLASSIFICATION      | OF SERVICE      |                  |
|---------------|---------------------|-----------------|------------------|
|               |                     |                 | Rate<br>Per Unit |
|               | Reserved for Future | e Use           |                  |
| -             |                     |                 |                  |
|               |                     |                 |                  |
|               |                     |                 |                  |
| DATE OF ISSUE | December 31, 2009   | DATE EFFECTIVE; | February 1, 2010 |
| ISSUED BY     | Name of Officer     | TITLE:          | President & CEO  |

| Form for filing Rate Schedule   | FOR       | All Territory Served    |   |
|---------------------------------|-----------|-------------------------|---|
| -                               |           | Community, Town or City |   |
|                                 | P.S.C. N  | 0.                      | 5 |
|                                 | 7th Revis | sed Sheet No.           | 5 |
|                                 |           |                         | _ |
| Shelby Energy Cooperative, Inc. | Cancelin  | g P.S.C. No.            | 5 |
| Shelbyville, KY                 | 6th Revis | sed Sheet No.           | 5 |
| Name of Issuing Corporation     |           |                         |   |

| CLASSIFICATION OF SERVICE  |                                     |                                   |                  |
|--|-------------------------------------|-----------------------------------|------------------|
| LARGE POWER SERVICE - RAT  | E 2                                 |                                   | Rate<br>Per Unit |
| AVAILABILITY  Available to all consumers whose kW demand shal including residential and farm consumers who do not qualify ununder Rate 12 or Rate 11 respectively, located on or near Selle usage, subject to the established Rules and regulations of Selle TYPES OF SERVICE: | nder availa<br>er's line for<br>er. | bility of service<br>all types of |                  |
| Three phase, 60 Hertz, available at Seller's standar   | rd voltage.                         |                                   |                  |
| MONTHLY RATE:  |                                     |                                   |                  |
| Consumer Charge per Month  | \$                                  | 50.15                             | (N)              |
| Demand Charge per kW of billing demand   | \$                                  | 4.97                              |                  |
| Energy Charge per kWh for all kWh  | \$                                  | 0.06823                           | (N)              |
|  |                                     |                                   |                  |
|  |                                     |                                   |                  |

| DATE OF ISSUE | December 31, 2009 | DATE EFFECTIVE; | February 1, 2010 |  |
|---------------|-------------------|-----------------|------------------|--|
| ISSUED BY     |                   | TITLE:          | President & CEO  |  |
|               | Name of Officer   |                 |                  |  |

| Form for filing Rate Schedules   |  | FOR                       | All Territory                          | Served           |
|--|--|---------------------------|--|------------------|
| -  |  |                           | Community,                             | Town or City     |
|  |  | P.S.C. No.                |  | 5                |
|  |  | Original                  | SHEET NO.                              | 6                |
| nelby Energy Cooperative, Inc.   |  |                           |  |                  |
| Shelbyville, Kentucky  |  | CANCELLIN                 | IG P.S.C. NO.                          |                  |
| Name of Issuing Corporation  |  | <b>-</b>                  | _SHEET NO                              |                  |
| CLASSIFICA   | TION OF SERVICE  | OF                        | RVICE COMMI<br>KENTUCKY<br>EFFECTIVE   | SSION            |
| LARGE PO   | WER SERVICE - RATE   | <sup>2</sup> JU           | N 04 199                               | RATE<br>PER UNIT |
| DETERMINATION OF BILLING DEMAND:   |  | si<br>by: <i>Sko</i>      | T TO 807 KAR<br>ECTION 9 (1)<br>han Bu | 1                |
| The billing demand shall be the maximur consumer for any period of fifteen (15) consecut the bill is rendered, as indicated or recorded by a factor as provided below.   | ive minutes during the mor   | shed by the<br>oth for wh | e<br>ich                               |                  |
| POWER FACTOR ADJUSTMENT:   |  |                           |  |                  |
| The consumer agrees to maintain unity per factor may be measured at any time. Should such factor at the time of his maximum demand is less purposes shall be the demand as indicated or recono. (90%) and divided by the power factor.   | h measurements indicate the stan 0.90 (90%), the dem                                       | nat the pov<br>and for bi | wer<br>lling                           |                  |
| FUEL ADJUSTMENT CLAUSE:  |  |                           |  |                  |
| This rate may be increased or decreased adjustment amount per kWh as billed by the who for line losses. The allowance for line losses will twelve-month moving average of such losses. Tapplicable provisions as set out in 807 KAR 5:05 | plesale power supplier plus<br>Il not exceed 10% and is ba<br>he Fuel Clause is subject to | an allowa<br>ased on a    | ance                                   |                  |
| DATE OF ISSUE: June 11, 1997   | EFFECTIVE  | DATE:                     | June                                   | e 4, 1997        |
| SUED BY: Dudle Botton G  | President & General Manage   | <u>r</u>                  | Shelbyvil                              | le, KY 40065     |
| Name of Officer  | Title  |                           | Address                                | 1                |

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

Case No.

Dated

| Form for filing Rat | e Schedules   |  | FOR                             | All Territor           | y Served  |
|---------------------|---|--|---------------------------------|------------------------|---|
|                     |   |  | P.S.C. No.                      | Community              | 7, Town or City<br>5                                  |
|                     |   |  |                                 |                        | 7   |
| elby Energy Coo     |   |  |                                 |                        |   |
|                     | ne of Issuing Corporation   |  | CANCELLIF                       |                        |   |
| ,,,,,,              | or issuing corporation  |  |                                 |                        |   |
|                     | CLASSIF   | FICATION OF SERVICE  |                                 |                        |   |
|                     | LARGI   | E POWER SERVICE - RATE 2   |                                 |                        | RATE<br>PER UNIT                                      |
| MINIMUM             | MONTHLY CHARGE:   |  |                                 |                        |   |
|                     | minimum monthly charge shall for the consumer in question:  | be the highest one of the follow   | ing charge                      | es as                  |   |
| 1.                  | The minimum monthly charg   | e specified in the contract for se   | ervices.                        |                        |   |
| 2.                  | The charge of \$1.00 per KVA  | of installed transformer capaci  | ity.                            |                        |   |
| SPECIAL P           | ROVISIONS:  |  |                                 |                        |   |
| 1.                  |   | furnished at secondary voltage,<br>sint unless otherwise specified i   |                                 | •                      |   |
|                     |   | ner electric equipment on the load and maintained by the consum  |                                 | the                    |   |
| 2.                  | shall be the point of attachme<br>transformer structure unless of<br>service. All wiring, pole line | er's primary line voltage, the de<br>ent of Seller's primary line to co<br>otherwise specified in the contra<br>s, and other electric equipment<br>oad side of the delivery point shall<br>consumer. | onsumer's<br>act for<br>(except | PUBLIC SER<br>Of<br>EF | VICE COMMISSION<br>KENTUCKY<br>FECTIVE<br>04 1997     |
|                     |   |  |                                 | PURSUANT TO            | 807 KAR 5:011,<br>ON 9 (1)<br>O BLU<br>THE COMMISSION |
| DATE OF ISSUE:      | June 11, 1997   | EFFECTIVE  | DATE:                           | Jun                    | e 4, 1997   |
| SUED BY:            | Dudly Botton.   | President & General Manager  |                                 |                        | lle, KY 40065   |
|                     | Name of Officer   | Title  | n of Vant                       | Address                | •   |

Dated

| orm for filing Rate              | Schedules  |               |   | FOR                                   | All Territor          | y Served             |
|----------------------------------|--|---------------|---|---------------------------------------|-----------------------|----------------------|
|                                  |  |               |   | D.C. No.                              | Community             | /, Town or City<br>5 |
|                                  |  |               |   | P.S.C. No.                            | CUEETNO               |                      |
| ielby Energy Cod                 | perative, Inc.   |               |   | Original                              | SHEET NO.             | 8                    |
| helbyville, Kentucky             |  |               | CANCELLIN   | IG P.S.C. NO.                         |                       |                      |
| Nam                              | e of Issuing Corporation   |               | <del></del>   |                                       | SHEET NO.             |                      |
|                                  | CLA  | SSIF          | ICATION OF SERVI                                    | CE                                    |                       |                      |
|                                  | LA   | ARGE          | POWER SERVICE -                                     | RATE 2                                |                       | RATE<br>PER UNIT     |
| SPECIAL PI                       | ROVISIONS:   |               |   |                                       |                       |                      |
| 3.                               | Primary Service - If serv<br>discount of five percent charges. The Seller shall<br>voltage.                        | (5%)          | shall apply to the dema                             | and and energy                        | e, a                  |                      |
| 4.                               | Contract - An "Agreeme by the consumer for serv  |               |   |                                       |                       |                      |
| TERMS OF                         | PAYMENT:   |               |   |                                       |                       |                      |
|                                  | bove rates are net; the gros<br>is not paid by the due date  |               |   | gross rate shall a                    | nnly.                 | COMMISSION           |
| SPECIAL R                        | ULES:  |               |   |                                       | OF KENT<br>EFFEC      | JCKY<br>IVE          |
| three-phase.                     | rs having a rated capacity in Motors in excess of five high starting equipment accept                              | orsep         | ower (5 HP) shall be p                              | rovided with                          | JUN 04<br>SUANT TO 80 | / KAR 5:011          |
| TEMPORAL                         | RY SERVICE:  |               |   | BY:                                   |                       | Berr                 |
| to pay all cos<br>of service. In | umers requiring temporary<br>sts of connecting and disconnaddition to this, a deposit<br>Both fees will be paid in | nnect<br>will | ing incidental to the su<br>be required to cover es | dule may be requi<br>pplying and remo | ving                  | COMMISSION           |
| TE OF ISSUE:                     | June 11, 1997  |               | FFF   | ECTIVE DATE:                          | lun                   | e 4, 1997            |
| EUED BY:                         | Dudle Bitton. Name of Officer  | <u>).</u>     | President & General                                 |                                       |                       | lle, KY 4006         |
|                                  | ssued by authority of an Or<br>Case No.  | der o         | f the Public Service Co                             | mmission of Kentu<br>Dated            | icky in               |                      |

| Form for filing Rate Schedule   | FOR      |                    |         |
|---------------------------------|----------|--------------------|---------|
| -                               |          | Community, Town of | or City |
|                                 | P.S.C. 1 | No.                | 5       |
|                                 | 8th Rev  | ised Sheet No.     | 9       |
| Shelby Energy Cooperative, Inc. | Canceli  | ng P.S.C. No.      | 5       |
| Shelbyville, KY                 | 7th Rev  | ised Sheet No.     | 9       |
| Name of Issuing Corporation     |          |                    |         |

|  | CLASSIFICATION OF SERVICE  |  |    |       |                  |
|--|----------------------------|--|----|-------|------------------|
|  | RESIDENTIAL S              | ERVICE - RATE 12   |    |       | Rate<br>Per Unit |
| <u>AVAILABI</u>  | LITY:                      |  |    |       |                  |
| Regulation   |                            | Cooperative, subject to the Rules a                            | nd |       |                  |
| TYPE OF  | SERVICE:                   |  |    |       |                  |
| 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 dust to down. |                            |  |    |       |                  |
| RATES:   | Type of Fixtures           |  |    |       |                  |
| A.   | HPS (High Pressure Sodium) | 100 Watt<br>Security Light                                     | \$ | 9.31  | (I)              |
| В  | HPS (High Pressure Sodium) | 100 Watt<br>Decorative Colonial Light                          | \$ | 12.44 | <b>(I)</b>       |
|  | HPS (High Pressure Sodium) | 400 Watt<br>Directional Flood and Security<br>and Street Light | \$ | 19.46 | (I)              |
|  | HPS (High Pressure Sodium) | 250 Watt<br>Directional Flood and Security<br>and Street Light | \$ | 13.90 | (1)              |
|  | HPS (High Pressure Sodium) | 150 Watt<br>Decorative Acorn Light                             | \$ | 14.94 | (1)              |

| DATE OF ISSUE | December 31, 2009 | DATE EFFECTIVE; | February 1, 2010 |
|---------------|-------------------|-----------------|------------------|
| ISSUED BY     |                   | TITLE:          | President & CEO  |
|               | Name of Officer   |                 |                  |

| Form for filing Rate   | e Schedules  |   | FOR        | All Territor  |   |  |
|--|--|---|------------|---------------|---|--|
|  |  |   | P.S.C, No. | Community     | r, Town or City<br>5  |  |
|  |  |   |            | SHEET NO.     |   |  |
| elby Energy Coo  | -  |   |            | -             |   |  |
| Shelbyville, Kentuc  | e of Issuing Corporation   |   | CANCELLIF  | NG P.S.C. NO. |   |  |
| Nam  | e or issuing corporation   |   |            | SHEET NO.     |   |  |
|  | CLASSIFICATION OF SERVICE  |   |            |               |   |  |
|  | OUTDOOR AND  | STREET LIGHTING SERVI                   | CE - RATI  | Ξ 3           | RATE<br>PER UNIT  |  |
| CONDITIO   | NS OF SERVICE:   |   |            |               |   |  |
| For installation shall furnish for the lamp charges as desodding as no will install the termination of wiring or constallation and the charge per management. The forment, at no a Cooperative where such no other than no support the constallation of the constallation charge per management. The forment is the cooperative where such no other than no support the constallation of the consta | For installation where 120/240 volt secondary voltage is available. The Cooperative shall furnish, install, own, and maintain standoff brackets, decorative poles and fixtures for the lamp being used. The consumer shall pay the monthly rate plus any additional charges as determined plus furnish all ditching, conduit, back filling, and repaving/seeding/sodding as necessary in accordance with the Cooperative's specifications. The consumer will install the conduit. The Cooperative will make all necessary connections. Upon termination of this service, the Cooperative shall not be required to remove underground wiring or conduit.  2. Directional, security and street lighting (Served Overhead) For installation on existing wood poles where 120/240 volt secondary voltage is available. Any additional required facilities may be provided by the Cooperative at an additional charge per month to be determined by the Cooperative.  3. The Cooperative shall maintain the lighting equipment including the lamp replacement, at no additional cost to the consumer within 72 hours after the consumer notifies the Cooperative of the need for maintenance of the lighting equipment.  4. The lighting equipment, poles, and related facilities shall remain the property of the Cooperative. The consumer shall be responsible for fixture replacement or repairs where such replacement or repairs are caused from willful damage, vandalism, or causes other than normal burnouts. |   |            |               | RVICE COMMISSION<br>KENTUCKY<br>FECTIVE<br>0 4 1997<br>0 807 KAR 5:011.<br>ON 9 (1)<br>O BLUI<br>THE COMMISSION |  |
| DATE OF ISSUE:   | June 11, 1997  | EFFECTIVI                               | = DATE:    | lun           | e 4, 1997   |  |
| SUED BY:   | Dill Betton  | President & General Manage              |            |               | lle, KY 40065   |  |
| 3020 01.   | Name of Officer  | Title                                   | <b>=</b>   | Address       |   |  |
|  | ssued by authority of an Order o   | of the Public Service Commissi<br>Dated |            | icky in       | Whathana Marina   |  |

| Form for filing Rate Schedules   | FOR  | All Territory Served   |
|--|--|--|
| •  | D C C No.  | Community, Town or City 5  |
|  | P.S.C. No.   |  |
| elby Energy Cooperative, Inc.  | Original   | _ SHEET NO11   |
| Shelbyville, Kentucky  | CANCELLIN  | NG P.S.C. NO.  |
| Name of Issuing Corporation  |  | SHEET NO.  |
| CLASSIFICATION OF SE   | ERVICE   |  |
| OUTDOOR AND STREET LIGHTI  | NG SERVICE - RATI  | RATE PER UNIT  |
| CONDITIONS OF SERVICE (continued):   |  |  |
| 6. When additional facilities are required by the consume furnish them at an additional charge per month to be determined. These additional charges are subject to change by the Coopera written notice. All facilities furnished by the Cooperative will                                  | ed by the Cooperative.<br>tive upon 30 days prior                | r  |
| 7. The Cooperative and the consumer shall execute an agrathis schedule for a period not less than one year. Cancellation initial one-year term will require the consumer to pay the Cooperand removal of facilities plus the salvageable material, prorate portion of the one-year period. | by the consumer prior perative its cost of instanta              | to the allation  |
| TERMS OF PAYMENT:  |  |  |
| The above rates are net; the gross rates are 10% higher monthly bill is not paid by the due date as shown on the bill, the reduction will be made to the consumer's monthly charge under interruption time due to lamp failure or other cause beyond the                                   | he gross rate shall appl<br>er this schedule for ser             | y. No<br>vice  |
| FUEL ADJUSTMENT CLAUSE:  | PUB  | LIC SERVICE COMMISSION   |
| This rate may be increased or decreased by an amount adjustment amount per kWh as billed by the wholesale power for line losses. The allowance for line losses will not exceed 1 month moving average of such losses. The Fuel Clause is sub   | supplier plus an allowated on a state to all other applications. | ance<br>tw#UN6-04 1997<br>able   |
| provisions as set out in KAR 5::056.   | PURS<br>BY:  | SUANT TO 807 KAR 5:011. SECTION 9 (1) SKOTANO BLU RETARY OF THE COMMISSION |
| DATE OF ISSUE: June 11, 1997   | EFFECTIVE DATE:  | June 4, 1997   |
| SUED BY: Dulla Betton, ja President & Ger  | neral Manager  | Shelbyville, KY 40065<br>Address   |
| Issued by authority of an Order of the Public Service  | ce Commission of Kent  | ucky in  |

Case No.

Dated \_\_\_\_\_

| Form for filing Rate Schedules  | FOR _A         | All Territory Se | rved       |
|---------------------------------|----------------|------------------|------------|
|                                 | C              | community, To    | wn or City |
|                                 | P.S.C. No.     |                  | 5          |
|                                 | 3rd Revised St | HEET NO.         | 12         |
| Shelby Energy Cooperative, Inc. |                | ,                |            |
| Shelbyville, Kentucky           | CANCELLING P.  | .s.c. no.        | 5          |
| Name of Issuing Corporation     | 2nd Revised Si | HEET NO.         | 12         |

| Name of Issu   | ing Corporation   |               | 2nd i          | Revised SHEET NO.            | 12               |
|----------------|---|---------------|----------------|------------------------------|------------------|
|                | CLASSIFICATION  | OF SERV       | ICE            |                              |                  |
|                | STANDBY POV   | VER RATI      | E - RATE 4     |                              | RATE<br>PER UNIT |
| AVAILABILITY:  |   |               |                |                              |                  |
|                | explicitly to provide standby electrical in Trimb                   |               |                | ville Gas &                  |                  |
| TYPE OF SERVIO | <u>CE</u> :   |               |                |                              |                  |
| Three-phas     | e, 60 Hertz, 7.2/12.47 KV GRDY                                      |               |                |                              |                  |
| RATE           |   |               |                |                              |                  |
| Demand C       | harge   |               |                |                              |                  |
|                | al demand billed by East Kentucky nvoice for that particular month. | Power Co      | operative fron | n the                        |                  |
| Energy Cha     | arge  |               |                |                              |                  |
| First          | 100 kWh per KW demand   | @             | \$.04669       | per kWh                      | (R)              |
| Next           | 100 kWh per KW demand   | @             | .04079         | per kWh                      | (R)              |
| All Over       | 200 kWh per KW demand   | @             | .03492         | per kWh                      | (R)              |
|                |   |               |                |                              |                  |
|                |   |               |                | O SERVICE COMMIS             | SION             |
| DATE OF ISSUE: | May 1, 2003   | EFF           | ECTIVE DATE:   | OF KENTUCKY<br>EFFECTIVE Mar |                  |
| ISSUED BY:     | wellen Detting  | President & 0 | CEO            | Shelbyvi                     | lle, KY 40065    |

Name of Officer

MAY (1) Aldess

Issued by authority of an Order of the Public Service Commission of Kentucky in 10 807 KAR 5.011

Case No. 2002-00449

Dated Apr \$\frac{\text{QUOY}}{\text{DOW}} \frac{\text{QUOY}}{\text{DOW}} \frac{\text{QUOY}}{\text{DOW}} \frac{\text{DOW}}{\text{DOW}} \frac{\text{DOW}}{\text

Title

| Form for filing Rate Schedules   | FOR   | All Territory Served   |
|--|---|--|
| -  | P.S.C. No.  | Community, Town or City 5                                      |
|  |   |  |
| elby Energy Cooperative, Inc.  | Ongman  | SHEET NO. 13   |
| Shelbyville, Kentucky  | CANCELL   | ING P.S.C. NO.   |
| Name of Issuing Corporation  |   | SHEET NO.  |
| CLASSIFICATION OF  | SERVICE   |  |
| STANDBY POWER I  | RATE - RATE 4   | RATE<br>PER UNIT   |
| DETERMINATION OF BILLING DEMAND:  The billing demand shall be the maximum kilowatt   | demand established by t   | he   |
| consumer for any period of fifteen (15) consecutive minute the bill is rendered, as indicated or recorded by a demand m factor as provided below.  | s during the month for w<br>neter and adjusted for po                         | rhich<br>wer   |
| POWER FACTOR ADJUSTMENT:   |   |  |
| The consumer agrees to maintain unity power factor. Power factor may be measured at any time. Should such me the power factor at the time of his maximum demand is less demand for billing purposes shall be the demand as indicated demand meter multiplied by 0.90 (90%) and divided by the  | neasurements indicate that<br>s than 0.90 (90%), the<br>ed or recorded by the | at   |
| FUEL ADJUSTMENT CLAUSE:  |   |  |
| This rate may be increased or decreased by an amore fuel adjustment amount per kWh as billed by the wholesale allowance for line losses. The allowance for line losses with based on a twelve-month moving average of such losses. To all other applicable provisions as set out in 807 KAR 5: | ll not exceed 10% and is<br>This Fuel Clause is subjected.                    | JUN 04 1997  |
|  | PUR:<br>By:S<br>Sect  | SUANT TO 807 KAR 5:011. SECTION 9 (1) SETARY OF THE COMMISSION |
| DATE OF ISSUE: June 11, 1997   | EFFECTIVE DATE:   | June 4, 1997   |
|  | General Manager   | Shelbyville, KY 40065 Address                                  |
| Issued by authority of an Order of the Public Se   | ervice Commission of Ke<br>Dated  | ntucky in  |

| Form for filing Rate Schedules  |                            |                                 | ritory Served            |  |
|---|----------------------------|---------------------------------|--------------------------|--|
|   | P.S.C. No.                 | Community                       | , Town or City<br>5      |  |
|   | Original                   | SHEET NO.                       | 14                       |  |
| nelby Energy Cooperative, Inc.  | CANCELLU                   |                                 |                          |  |
| Shelbyville, Kentucky   |                            |                                 |                          |  |
| Name of Issuing Corporation   |                            |                                 |                          |  |
| CLASSIFICATION OF SERV  | ICE                        |                                 |                          |  |
| STANDBY POWER RATE -  | · RATE 4                   |                                 | RATE<br>PER UNIT         |  |
| MINIMUM MONTHLY CHARGE:   |                            |                                 |                          |  |
| As specified in an "Agreement" for electric service dated Coctober 25, 1979.                            | October 4 and              |                                 |                          |  |
| SPECIAL PROVISIONS:   |                            |                                 |                          |  |
| Motor loads will be added in increments that will minimize changes for other consumers on this circuit. | e transient voltage        |                                 |                          |  |
| TERMS OF PAYMENT:   |                            | !                               |                          |  |
| As specified in an "Agreement" for electric service dated (October 25, 1979.                            | October 4 and              |                                 |                          |  |
| THIS RATE IS SUBJECT TO ADJUSTMENT AT ANY ENERGY COOPERATIVE ADJUSTS ITS OTHER RAT                      |                            | BLIC SERVICE ( OF KENTL EFFECTI | CKY<br>VE                |  |
|   | PUR<br>BY:<br>SEC          | SUANT TO 807<br>SECTION S       | KAR 5:011,<br>(1)<br>BUJ |  |
| DATE OF ISSUE: June 11, 1997 EI   | FFECTIVE DATE:             | Jur                             | ne 4, 1997               |  |
| SUED BY: Dullay Botton, A. President & General Title  | al Manager                 | Shelbyv<br>Addres               | rille, KY 40065          |  |
| Issued by authority of an Order of the Public Service C   | Commission of Ken<br>Dated | tucky in                        |                          |  |

| Form for filing Rate Schedule   | FOR          | All Territory Served    |    |
|---------------------------------|--------------|-------------------------|----|
|                                 |              | Community, Town or City |    |
|                                 | P.S.C. NO.   |                         | 5  |
|                                 | 8th Revised  | Sheet No.               | 15 |
| Shelby Energy Cooperative, Inc. | Cancelling P | P.S.C. NO.              | 5  |
| Shelbyville, Kentucky           | 7th Revised  | Sheet NO                | 15 |
| Name of Issuing Corporation     |              |                         |    |

| CLASSIFICATION  | OF SERVICE   |                  |
|---|--|------------------|
| OFF-PEAK RETAIL MARKETIN  | G RATE (ETS)   | Rate<br>Per Unit |
| AVAILABILITY OF SERVICE:  This special marketing rate is made as an atta all other terms of that rate apply except those covered he marketing programs as approved by Shelby Energy's Board of the electric power furnished under this market metered for each point of delivery and is applicable during This rate is available to customers already receiving services. This marketing rate applies only to programs which are esservice Commission to be offered under the Marketing R | re. It is available for specific and of Directors.  Sting program shall be separately g the below listed off-peak hours. Ice under Rate GS-1 & Rate 10. Expressly approved by the Public |                  |
| Cooperative's Wholesale Power Rate Schedule E.  Months  | Hours Applicable - EST   |                  |
| May through September   | 10:00 P.M. to 10:00 A.M.   |                  |
| October through April   | 12:00 Noon to 5:00 P.M.<br>10:00 P.M. to 7:00 A.M.   |                  |
| <u>Rates</u>  |  |                  |
| The energy rate for this program is as listed below:  |  |                  |
| All kWh \$0.05312   | per kWh  | (1)              |

| DATE OF ISSUE July 21, 2009 DATE E   | FFECTIVE: August 1, 2009   |
|--|--|
| ISSUED BY  Name of Officer  Issued by authority of an Order of the Public Service of | TITLE President & CEO PUBLIC SERVICE COMMISSION OF KENTUCKY Commission of Kentucky |
| Case No. 2008-00536  | 8/1/2009<br>Dated<br>PURSU <del>ANT TU 307 KAR 5:011</del><br>SECTION 9 (1)        |
|  | By H Dew Executive Director  |

| Form for filing Rate Schedules   |  |  | FOR  |   | All Territory Served |  |
|--|--|--|--|---|----------------------|--|
|  |  |  |  | Community   | y, Town or City      |  |
|  |  | *  | P.S.C. No.   |   | 5                    |  |
| elby Energy Co   | anavativa lua  |  | Original   | SHEET NO.   | 16                   |  |
| eiby Energy Co<br>helbyville, Kentu                                    | •  |  | CANCELLI   | NG P.S.C. NO.   |                      |  |
|  | me of Issuing Corporation  | - Communication  |  | SHEET NO.   |                      |  |
| er sammen er fill kantan i Fansa er flammen er fil                     | CLASS  | SIFICATION OF SERVICE  |  |   |                      |  |
|  | OFF-PEAK   | RETAIL MARKETING RATI  | E (ETS)  |   | RATE<br>PER UNIT     |  |
| TERMS O  | F PAYMENT:   |  |  |   |                      |  |
|  |  | rates are 10% higher. In the eve shown on the bill, the gross rate   |  |   |                      |  |
|  |  |  |  |   |                      |  |
|  | USTMENT CHARGE:  | Adjustment Clause and may be   | increased  | or  |                      |  |
| All decreased be billed by the for line loss moving ave                | rates are applicable to the Fuel<br>by an amount per kWh equal to<br>be Wholesale Power Supplier places<br>will not exceed ten percent   | Adjustment Clause and may be the fuel adjustment amount per lus an allowance for line losses. (10%) and is based on a twelve Clause is subject to all other ap | kWh as<br>The allow<br>(12) month  | vance   |                      |  |
| All decreased be billed by the for line loss moving ave                | rates are applicable to the Fuel<br>by an amount per kWh equal to<br>be Wholesale Power Supplier places<br>ses will not exceed ten percent<br>brage of such losses. This Fuel              | the fuel adjustment amount per<br>lus an allowance for line losses.<br>(10%) and is based on a twelve<br>Clause is subject to all other ap                     | kWh as The allow (12) month plicable   | vance   | SON .                |  |
| All decreased be billed by the for line loss moving ave                | rates are applicable to the Fuel<br>by an amount per kWh equal to<br>be Wholesale Power Supplier places<br>ses will not exceed ten percent<br>brage of such losses. This Fuel              | the fuel adjustment amount per<br>lus an allowance for line losses.<br>(10%) and is based on a twelve<br>Clause is subject to all other ap                     | kWh as The allow (12) month plicable  PUBLIC SERV OF K EF                                    | vance<br>h<br>VICE COMMISS<br>ENTUCKY   | SON MOE              |  |
| All decreased be billed by the for line loss moving ave                | rates are applicable to the Fuel<br>by an amount per kWh equal to<br>be Wholesale Power Supplier places<br>ses will not exceed ten percent<br>brage of such losses. This Fuel              | the fuel adjustment amount per lus an allowance for line losses. (10%) and is based on a twelve Clause is subject to all other ap                              | kWh as The allow (12) month plicable  PUBLIC SERV OF K EF  JUN  PURSUANT 1                   | Vance h VICE COMMISS ENTUCKY FECTIVE  () 4 1997 TO 807 KAR 5:                                     |                      |  |
| All decreased be billed by the for line loss moving ave                | rates are applicable to the Fuel<br>by an amount per kWh equal to<br>be Wholesale Power Supplier places<br>ses will not exceed ten percent<br>brage of such losses. This Fuel              | the fuel adjustment amount per lus an allowance for line losses. (10%) and is based on a twelve Clause is subject to all other ap                              | kWh as The allow (12) month plicable  PUBLIC SERV OF K EF  JUN  PURSUANT 1 SEC               | Vance h VICE COMMISS ENTUCKY FECTIVE  () 4 1997 TO 807 KAR 5:                                     | 011.                 |  |
| All decreased be billed by the for line loss moving ave                | rates are applicable to the Fuel<br>by an amount per kWh equal to<br>be Wholesale Power Supplier places<br>ses will not exceed ten percent<br>brage of such losses. This Fuel              | the fuel adjustment amount per lus an allowance for line losses. (10%) and is based on a twelve Clause is subject to all other ap                              | kWh as The allow (12) month plicable  PUBLIC SERV OF K EF  JUN  PURSUANT 1 SEC SY: Skology   | Vance  ICE COMMISS ENTUCKY FECTIVE  () 4 1997  TO 807 KAR 5: CTION 9 (1)  LOG THE COMMISS         | 011.                 |  |
| All decreased billed by the for line loss moving averaged provisions a | rates are applicable to the Fuel by an amount per kWh equal to be Wholesale Power Supplier places will not exceed ten percent erage of such losses. This Fuel as set out in 807 KAR 5:056. | the fuel adjustment amount per lus an allowance for line losses. (10%) and is based on a twelve Clause is subject to all other ap                              | kWh as The allow (12) month plicable  PUBLIC SERV OF K EF  JUN  PURSUANT 1 SEC SY: SECRETARY | Vance  ICE COMMISS ENTUCKY FECTIVE  () 4 1997  TO 807 KAR 5: CTION 9 (1) LIND BULL OF THE COMMISS | 011.<br>SON          |  |

| Form for filing Rate Schedule   | FOR          | All Territory Served    |      |
|---------------------------------|--------------|-------------------------|------|
|                                 | •            | Community, Town or City |      |
|                                 | P.S.C. N0.   |                         | 5    |
|                                 | 6th Revised  | Sheet No.               | . 17 |
| Shelby Energy Cooperative, Inc. | Cancelling P | P.S.C. NO.              | 5    |
| Shelbyville, Kentucky           | 5th Revised  | Sheet No.               | 17   |
| Name of Issuing Corporation     |              |                         |      |

| CLASSII  | FICATION OF SERVIC   | E                               |                                   |                  |
|--|--|---------------------------------|-----------------------------------|------------------|
| LARGE INDUS  | STRIAL RATE - SCHEDUL  | _E B1                           |                                   | Rate<br>Per Unit |
| AVAILABILITY:  Applicable to contracts with demai  | nds of 500 to 4,999 KW with a m  | onthly energ                    | y usage                           |                  |
| equal to or greater than 400 hours per KW of   | contract demand.   |                                 |                                   |                  |
| MONTHLY RATE:  Consumer Charge Demand Charge per KW of Contra Demand Charge per KW for Billing Excess of Contract De Energy Charge per kWh  BILLING DEMAND:  The billing demand (kilowatt demand). | g Demand in<br>mand<br>and) shall be the contract deman                  | \$<br>\$<br>\$<br>d plus any ex | 590,43<br>5,94<br>8,63<br>0,05671 | (1)              |
| exceeds the contract demand. The load cent which energy is used during any fifteen-minuland adjusted for power factor as provided her  | er's peak demand is the highest a<br>te Interval in the below listed hou | average rate                    | at                                |                  |
| <u>Months</u>  | Hours Applicable<br>Demand Billing -                                     |                                 |                                   |                  |
| October through April  | 7:00 A.M. to 12:00 N<br>5:00 P.M. to 10:00 F                             |                                 |                                   |                  |
| May through September  | 10:00 A.M. to 10:00  | P.M.                            |                                   |                  |
|  |  |                                 |                                   |                  |

| May through September                             | 10:00 A.M. to 10:00 P.M.                |  |
|---|---|--|
| DATE OF ISSUE July 21, 2009                       | DATE EFFECTIVE:                         | August 1, 2009                                       |
| Issued by authority of an Order  Case No. 2008-00 | of the Public Service Commission of Ker | SERVICE COMMISSION                                   |
|   |   | SUANT TO 807 KAR 5:011 SECTION 9 (1) Active Director |

| Form for fill          | ng Rate Schedules                                |                                    |  | FOR                          | All Territor        |                   |
|------------------------|--|------------------------------------|--|------------------------------|---------------------|-------------------|
|                        |  |                                    |  | P.S.C. No.                   | Community           | r, Town or City 5 |
|                        |  |                                    |  |                              | SHEET NO.           | 18                |
| ielby Ene              | rgy Cooperative, Inc.                            |                                    |  | Original                     | SHEET NO.           | 10                |
| Shelbyville,           | -  |                                    |  | CANCELLI                     | NG P.S.C. NO.       |                   |
|                        | Name of Issuing Corpo                            | ration                             |  |                              | SHEET NO.           |                   |
|                        |  | CLASSIF                            | FICATION OF SERVICE  | PUBLIC                       | SERVICE CON         | IMISSION<br>Y     |
|                        |  | LARGE IN                           | DUSTRIAL RATE SCHEDU   | JLE B1                       | EFFECTIVE           | RATE<br>PER UNIT  |
| MIN                    | IMUM MONTHLY C                                   | HARGE:                             |  | J                            | JUN 0 4 19          | 97                |
| The                    | minimum monthly cha                              | rge shall not be l                 | ess than the sum of (a) throu  | gh (d) belov                 | ANT TO 807 K        | R 5:011.<br>)     |
| (a)                    | Consumer Charge.                                 |                                    |  | BY: S                        | tary of the co      | <u>w</u>          |
| (b)                    |  | emand in excess                    | multiplied by the contract de of the contract demand multi   |                              |                     |                   |
| (c)                    | The product of the oper kWh.                     | contract demand                    | multiplied by 400 hours and  | the energy o                 | charge              |                   |
| (d)                    | Contract provisions                              | that reflect speci                 | ial facilities requirements.   |                              |                     |                   |
| POW                    | ER FACTOR ADJUS                                  | STMENT:                            |  |                              |                     |                   |
| may<br>the ti<br>shall | be measured at any tin<br>me of his billing dema | ne. Should such and is less than 0 | rer factor as nearly as practical measurements indicate that the second of the second for the second for the second for the second of the second for the sec | he power fa<br>e billing pu  | ctor at             |                   |
| FUE                    | L ADJUSTMENT CL                                  | AUSE:                              |  |                              |                     |                   |
| amor<br>The avera      | ant per kWh as billed be allowance for line loss | by the wholesale es will not excee | an amount per kWh equal to power supplier plus an allowed 10% and is based on a twe subject to all other applicable  | ance for lind<br>lve-month n | e losses.<br>noving |                   |
| DATE OF IS             | SSUE: June 1                                     | 11, 1997                           | EFFECTI  | VE DATE:                     | Jun                 | e 4, 1997         |
|                        | : Dudly I  | ¬ ()                               | President & General Mana   |                              | Shelbyv             |                   |

Dated \_\_\_\_

| orm for filing Rate                  | Schedules   |  | FOR  |   | All Territory Served                  |  |
|--------------------------------------|---|--|--|---|---------------------------------------|--|
|                                      |   |  |  | Community   | Town or City                          |  |
|                                      |   |  | P.S.C. No.                                 |   | 5                                     |  |
| _                                    |   |  | Original                                   | SHEET NO.   | 19                                    |  |
| elby Energy Coo<br>elbyville, Kentuc |   |  | CANCELLI                                   | NG P.S.C. NO.   |                                       |  |
| Name                                 | of Issuing Corporation  | -  |  | SHEET NO.   | · · · · · · · · · · · · · · · · · · · |  |
|                                      | CLASSII   | FICATION OF SERVICE  |  |   |                                       |  |
|                                      | LARGE IN  | DUSTRIAL RATE SCHEDU   | LE B1                                      |   | RATE<br>PER UNIT                      |  |
| SPECIAL PI                           | ROVISIONS:  |  |  |   |                                       |  |
| 1.                                   |   | furnished at secondary voltage oint unless otherwise specified   |  |   |                                       |  |
|                                      | All wiring, pole lines, and of delivery point shall be owne   | ther electric equipment on the d and maintained by the consu   | load side o<br>ımer.                       | f the   |                                       |  |
| 2.                                   | shall be the point of attachm<br>transformer structure unless<br>service. All wiring, pole lin                                | ler's primary line voltage, the tent of Seller's primary line to otherwise specified in the cones, and other electric equipments load side of the delivery point e consumer. | consumer's tract for nt (except t shall be | SERVICE<br>S OF KENTI<br>EFFECT<br>JUN 04<br>RSUANT TO 80 | ICKY<br>VE<br>1997                    |  |
| TERMS OF                             | PAYMENT:  |  | BY:  | SECTION<br>StephanO                                       | (1)<br>Buy                            |  |
| The a                                | above rates are net; the gross rates not paid by the due date as s  | ates are 5% higher. In the ever<br>shown on the bill, the gross rat  | nt the curre                               | nt  | COMMISSION                            |  |
| TEMPORAL                             | RY SERVICE:   |  |  |   |                                       |  |
| to pay all cos<br>of service. I      | numers requiring temporary sersts of connecting and disconne n addition to this, a deposit with Both fees will be paid in adv | cting incidental to the supplyi<br>Il be required to cover estimate  | ng and rem                                 | oving   |                                       |  |
| ATE OF ISSUE:                        | June 11, 1997   | EFFECTIV   | VE DATE:                                   | Jun   | e 4, 1997                             |  |
| SUED BY:                             | Dudly Bitton . J.  Name of Officer  | President & General Mana   | ger  | Shelbyv<br>Addres   | ille, KY 4006<br>s                    |  |
|                                      | ssued by authority of an Order<br>Case No.  | of the Public Service Commission   | sion of Ken<br>ed                          | tucky in  |                                       |  |

| Form for filing Rate Schedule   | FOR          | All Territory Served    |    |
|---------------------------------|--------------|-------------------------|----|
|                                 |              | Community, Town or City |    |
|                                 | P.S.C. NO.   |                         | 5  |
|                                 | 6th Revised  | Sheet No.               | 20 |
| Shelby Energy Cooperative, Inc. | Cancelling P | .S,C. No.               | 5  |
| Shelbyville, Kentucky           | 5th Revised  | Sheet No.               | 20 |
| Name of Issuing Corporation     |              |                         |    |

|   | CLASSIFIC   | CATION OF SERVICE  |                        |                  |      |
|---|---|--|------------------------|------------------|------|
| LARGE INDUSTRIAL RATE - SCHEDULE B2             |   |  |                        |                  |      |
| AVAILABILITY:                                   | ,   | 57 000 t 0 000 MM will   |                        |                  |      |
| Applicable to co<br>equal to or greater than 40 | ontracts with demands   | of 5,000 to 9,999 KW with a mo<br>ract demand.   | ntniy ene              | rgy usage        |      |
| MONTHLY RATE:                                   |   |  |                        |                  |      |
| Consumer Cha<br>Demand Charg<br>Demand Charg    | rge<br>le per KW of Contract D<br>le per KW for Billing De                  | Demand<br>mand <sup>-</sup> in   | \$<br>\$               | 1,179.75<br>5.94 |      |
| Exc<br>Energy Charge                            | ess of Contract Deman   | d .  | \$<br>\$               | 8.63<br>0.05119  | (1)  |
| BILLING DEMAND:                                 |   |  |                        |                  |      |
| demand. Excess demand                           | occurs when the consu<br>and. The load center's<br>ng any fifteen-minute in | shall be the contract demand p<br>umer's peak demand during the<br>peak demand is the highest av<br>terval in the below listed hours f | current n<br>erage rat | nonth<br>e at    |      |
| <u>Months</u>                                   | e<br>e  | Hours Applicable fo<br>Demand Billing - ES   |                        |                  |      |
| October through April                           |   | 7:00 A.M. to 12:00 Noc<br>5:00 P.M. to 10:00 P. N  |                        |                  |      |
| May through September                           |   | 10:00 A.M. to 10:00 P.   | M.                     |                  |      |
|   |   | DATE FEFFORING   |                        | August 1         | 2000 |

| <u>Months</u>                  | <u>Demand Billing - EST</u>                        |   |
|--------------------------------|--|---|
| October through April          | 7:00 A.M. to 12:00 Noor<br>5:00 P.M. to 10:00 P. M | •   |
| May through September          | 10:00 A.M. to 10:00 P.M                            | ۸.  |
| DATE OF ISSUE July 21, 2009    | DATE EFFECTIVE:                                    | August 1, 2009  |
| ISSUED BY Name of C            | FODL   | IC SERVICE COMMISSION   |
| Issued by authority of an Orde | r of the Public Service Commission of h            | Kentucky PFECTIVE   |
| Case No. 2008-0                | 0536 Dated PU                                      | 8/1/2009<br>PRS <del>UANT TO 807 KAR 5:011</del><br>SECTION 9 (1) |
|                                | ву   | Dew Executive Director  |
|                                |  |   |

| Form for filing                            | Rate Schedules   |   | FOR                       | All Territor        |  |
|--|--|---|---------------------------|---------------------|--|
|  |  |   | P.S.C. No.                | Community           | r, Town or City<br>5                     |
|  |  |   | Original                  | SHEET NO.           | 21                                       |
| elby Energy<br>Shelbyville, Ke             | Cooperative, Inc.  |   | CANCELLI                  | NG P.S.C. NO.       |  |
| - Cherby vine, ite                         | Name of Issuing Corporation  | -   |                           | SHEET NO.           |  |
| ,  |  |   |                           |                     |  |
|  | CLASSIF  | ICATION OF SERVICE  |                           |                     |  |
|  | LARGE INI  | DUSTRIAL RATE SCHEDUI   | E B2                      |                     | RATE<br>PER UNIT                         |
| MINIM                                      | UM MONTHLY CHARGE:   |   |                           |                     |  |
| The min                                    | nimum monthly charge shall not be le   | ess than the sum of (a) through                                   | (d) below                 | <i>y</i> :          |  |
| (a) (                                      | Consumer Charge.   |   |                           |                     |  |
| t  | The product of the contract demand rehe product of the demand in excess excess of contract demand charge.  |   | _                         | -                   |  |
| ` '  | The product of the contract demand reper kWh.  | nultiplied by 400 hours and th                                    | e energy c                | harge OF            | IVICE COMMISSION<br>KENTUCKY<br>FFECTIVE |
| (d) (                                      | Contract provisions that reflect specia  | al facilities requirements.                                       |                           | JUN                 | 04 1997                                  |
| POWER                                      | R FACTOR ADJUSTMENT:   |   |                           | SE                  | TO 807 KAR 5:01 .<br>CTION 9 (1)         |
| may be the time shall be power fa          | sumer agrees to maintain unity power measured at any time. Should such a of his billing demand is less than 0.5 the demand as indicated or recorded actor.  ADJUSTMENT CLAUSE: | measurements indicate that the 90 (90%), the demand for the       | power faction pur         | ctor at<br>poses    | IN) BLY<br>OF THE COMMISSION             |
| This rate<br>amount<br>The allo<br>average | e may be increased or decreased by a per kWh as billed by the wholesale powance for line losses will not exceed of such losses. The Fuel Clause is s 07 KAR 5:056.             | power supplier plus an alloward<br>1 10% and is based on a twelve | nce for line<br>e-month m | e losses.<br>noving |  |
| DATE OF ISSU                               | JE: June 11, 1997  | EFFECTIVE   | DATE:                     | Jun                 | e 4, 1997                                |
| SUED BY:                                   | Dudla Billon   | President & General Manage  | <u>er</u>                 | Shelbyv<br>Addres   | ille, KY 40065<br>s                      |
|  | Issued by authority of an Order o  | f the Public Service Commission Dated                             |                           | ucky in             |  |

| Form for filing Rate                    | e Schedules   |  | FOR                                | All Territor               | y Served                                 |
|---|---|--|------------------------------------|----------------------------|--|
|   |   |  | P.S.C. No.                         | Community                  | r, Town or City<br>5                     |
|   |   |  | Original                           | SHEET NO.                  | 22                                       |
| `elby Energy Coo<br>Shelbyville, Kentuc |   |  | CANCELLI                           | NG P.S.C. NO.              |  |
|   | e of Issuing Corporation  | TO THE PARTY OF TH |                                    | SHEET NO.                  |  |
| CLASSIFICATION OF SERVICE               |   |  |                                    |                            |  |
|   | LARGE IN  | DUSTRIAL RATE SCHEDUI  | LE B2                              |                            | RATE<br>PER UNIT                         |
| SPECIAL P                               | ROVISIONS:  |  |                                    |                            |  |
| 1.                                      |   | furnished at secondary voltage<br>pint unless otherwise specified  |                                    |                            |  |
|   |   | ner electric equipment on the le<br>l and maintained by the consur   |                                    | f the                      |  |
| 2.                                      | shall be the point of attachme<br>transformer structure unless of<br>service. All wiring, pole line   | er's primary line voltage, the dent of Seller's primary line to contherwise specified in the control and other electric equipment load side of the delivery point a consumer.  | onsumer's<br>ract for<br>t (except | ;<br>Pjelic ser<br>of<br>e | IVICE COMMISSION<br>KENTUCKY<br>FFECTIVE |
| TERMS OF                                | PAYMENT:  |  |                                    | JUN<br>Pursuant            | 0 4 1997<br>10 807 KAR 5:01              |
| The a                                   | above rates are net; the gross rat<br>is not paid by the due date as sh   | es are 5% higher. In the event<br>nown on the bill, the gross rate   | the currer                         | SEO                        | TION 9 (1)  BLU  FINE COMMISSION         |
|   | RY SERVICE:   |  |                                    |                            | STITLE COMMISSION                        |
| to pay all co<br>of service. I          | sumers requiring temporary servests of connecting and disconnecting and disconnecting addition to this, a deposit will be paid in advanced. | ting incidental to the supplying<br>be required to cover estimated   | g and remo                         | ving                       |  |
| DATE OF ISSUE:                          | June 11, 1997   | EFFECTIVE  | DATE:                              | Jun                        | e 4, 1997                                |
| SUED BY:                                | Dudley Botton, Jr. Name of Officer  | President & General Manage   | <u>er</u>                          | Shelbyvi<br>Address        | lle, KY 40065                            |
|   | ssued by authority of an Order o  | f the Public Service Commission  Dated   |                                    | ucky in                    |  |

| Form for filing Rate Schedule   | FOR          | All Territory Served    |     |
|---------------------------------|--------------|-------------------------|-----|
| Total for land that a second    |              | Community, Town or City |     |
|                                 | P.S.C. NO.   |                         | 5   |
|                                 | 6th Revised  | Sheet No.               | 23  |
|                                 | Consolling F | A C C No                | 5   |
| Shelby Energy Cooperative, Inc. | Cancelling P |                         | - 0 |
| Shelbyville, Kentucky           | 5th Revised  | Sheet No.               | 23  |
| Name of Issuing Corporation     |              |                         |     |

| CLASSIFICATION OF SERVICE   |  |   |             |     |
|---|--|---|-------------|-----|
| LARGE INDUSTRIAL RATE - SCHEDULE B3   |  |   |             |     |
| AVAILABILITY:  Applicable to contracts with demands of usage equal to or greater than 400 hours per kW of MONTHLY RATE:   | of 10,000 kW and over with a more of contract demand.  | nonthly er  | nergy       |     |
| Consumer Charge Transformer Size of 10,000 Transformer Size of 15,000 Demand Charges per kW Contract Demand Billing Demand in Excess of Energy Charge per kWh  BILLING DEMAND:  The billing demand (kilowatt demand) demand. Excess demand occurs when the consulex exceeds the contract demand. The consumer's per which energy is used during any fifteen-minute into and adjusted for power factor as provided herein:  Months  October through April  May through September | kVa and greater of Contract Demand shall be the contract demand parties are the contract deman | current nage rate for each of the form of | nonth<br>at | (1) |

| DATE OF ISSUE June 21, 2009                                      | DATE EFFECTIVE:                            | August 1, 2009  |
|--|--|---|
| ISSUED BY  Name of Officer                                       | TIPLEBLIC                                  | SERVICE CEOMMISSION<br>OF KENTUCKY<br>EFFECTIVE                               |
| Issued by authority of an Order of the Pu<br>Case No. 2008-00536 | blic Service Commission of Ke<br>Dated PUR | ntucky 能/1/2009<br>S <u>UANIII 1 位58<b>27</b>0月</u> AR 5:011<br>SECTION 9 (1) |
|  | 8.11 (                                     | $\gamma \rho$   |

| Form for filing Rate Schedule   | FOR All Territory Served |                    |  |
|---------------------------------|--------------------------|--------------------|--|
|                                 | Commu                    | nity, Town or City |  |
|                                 | P.S.C. N0.               | 5                  |  |
|                                 | 1st Revised Sheet N      | lo. <u>24</u>      |  |
| Shelby Energy Cooperative, Inc. | Canceling P.S.C. No.     | 5                  |  |
| Shelbyville, Kentucky           | Original Sheet No.       | 24                 |  |
| Name of Issuing Corporation     |                          |                    |  |

| ,  | CLASSIFICATION OF SERVICE   |   |  |  |  |  |
|--|---|---|--|--|--|--|
|  | LARGE INDUSTRIAL RATE SCHEDULE B3   |   |  |  |  |  |
| MINIMU   | M MONTHLY CHARGE:   |   |  |  |  |  |
| The mini   | mum monthly charge shall not be less than the sum of (a) through (d) below:   |   |  |  |  |  |
| (a)  | Consumer Charge   |   |  |  |  |  |
| (b)  | The product of the contract demand multiplied by the contract demand charge, plus the product of the demand in excess of the contract demand multiplied by the in excess of contract demand charge.   |   |  |  |  |  |
| (c)  | The product of the contract demand multiplied by 400 hours and the energy charge per kWh minus the fuel base per kWh.   | т |  |  |  |  |
| (d)  | Contract provisions that reflect special facilities requirements  |   |  |  |  |  |
| POWER  | FACTOR ADJUSTMENT:  |   |  |  |  |  |
| be meas<br>of his bil  | 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 billing demand is less than 0.90 (90%), the demand for the billing purposes shall be the demand as indicated or recorded, multiplied by 0.90 (90%) and divided by the power factor. |   |  |  |  |  |
| FUEL A   | FUEL ADJUSTMENT CLAUSE:   |   |  |  |  |  |
| 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 807 KAR 5:056 |   |   |  |  |  |  |
|  |   |   |  |  |  |  |

| DATE OF ISSUE ISSUED BY Issued by aut Case No. | July 20, 2004  Name of Officer thority of an Order of the Pu 2004-00195 | DATE EFF | PUBLIC SE<br>TITLE O<br>ormission of Kentu<br>Dated<br>PURSUA | July 9, 20 FRENT OCKY | MISSION<br>1 5:011 |  |
|--|---|----------|---|---|--------------------|--|

| Form for filing Rate                   | Schedules  |   | FOR                             | All Territory                | Served           |
|--|--|---|---------------------------------|------------------------------|------------------|
|  |  |   |                                 | Community,                   | Town or City     |
|  |  |   | P.S.C. No.                      |                              | 5                |
|  |  |   | Original                        | SHEET NO.                    | 25               |
| elby Energy Coo<br>Shelbyville, Kentuc |  |   | CANCELLIN                       | NG P.S,C. NO.                |                  |
| Name                                   | of Issuing Corporation   | <b></b>   |                                 | SHEET NO.                    |                  |
|  | CLASSIFI   | CATION OF SERVICE   |                                 |                              |                  |
|  | LARGE IND  | USTRIAL RATE SCHEDUL  | E B3                            |                              | RATE<br>PER UNIT |
| SPECIAL PI                             | ROVISIONS:   |   |                                 |                              |                  |
| 1.                                     | Delivery Point - If service is for point shall be the metering point for service.  | _   |                                 |                              |                  |
|  | All wiring, pole lines, and oth delivery point shall be owned  |   |                                 | f the                        |                  |
| 2.                                     | If service is furnished at Seller<br>shall be the point of attachmen<br>transformer structure unless of<br>service. All wiring, pole lines<br>metering equipment) on the le<br>owned and maintained by the | nt of Seller's primary line to control therwise specified in the control a, and other electric equipment coad side of the delivery points | onsumer's<br>act for<br>(except | S<br>PUBLIC SERVIC<br>OF KEI | CTIVE            |
| TERMS OF                               | PAYMENT:   |   | P                               | URSUANT TO 8                 | 07 KAR 5:011.    |
|  | above rates are net; the gross rate<br>is not paid by the due date as sh   |   |                                 |                              | Bu               |
| TEMPORAL                               | RY SERVICE:  |   |                                 |                              |                  |
| to pay all cos<br>of service. I        | umers requiring temporary servists of connecting and disconnect naddition to this, a deposit will. Both fees will be paid in advan   | ing incidental to the supplying<br>be required to cover estimated   | and remo                        | oving                        | ·                |
| DATE OF ISSUE:                         | June 11, 1997  | EFFECTIVE   | DATE:                           | Jun                          | e 4, 1997        |
| SUED BY:                               | Dudle Bitton Jan<br>Name of Officer  | President & General Manage  | <u>r</u>                        | Shelbyvi<br>Address          | lle, KY 40065    |
|  | ssued by authority of an Order o   | f the Public Service Commissio  |                                 | tucky in                     |                  |

| Form for filing Rate Schedule  | FOR          | All Territory Served    |    |
|--|--------------|-------------------------|----|
| , or many the same and the same |              | Community, Town or City |    |
|  | P.S.C. NO.   |                         | 5  |
|  | 6th Revised  | Sheet No.               | 26 |
| Shelby Energy Cooperative, Inc.  | Cancelling P | .S.C. No.               | 5  |
| Shelbyville, Kentucky  | 5th Revised  | Sheet No.               | 26 |
| Name of Issuing Corporation  |              | •                       |    |

|   | CLASSI  | FICATION OF SERVIC  | Ε                  |                           |                  |
|---|---|---|--------------------|---------------------------|------------------|
|   | LARGE INDU  | STRIAL RATE - SCHEDU  | ILE C1             |                           | Rate<br>Per Unit |
| usage equal to or greatwo "two-party" contra  | iter than 400 hours per l<br>cts with the first one bei | nds of 500 to 4,999 KW with a m<br>KW of contract billing demand.<br>ng between the Seller and the C<br>n the Seller and the ultimate cor | These contractions | /<br>cts will be          |                  |
| MONTHLY RATE:   |   |   |                    |                           |                  |
|   | Charge<br>harge per KW of billing<br>arge per kWh       | demand  | \$<br>\$           | 590.43<br>5.94<br>0.05671 | (1)              |
| BILLING DEMAND:   |   |   | •                  |                           |                  |
| 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>   |   | Hours Applicabl<br>Demand Billing -   |                    |                           |                  |
| October through April   | ;   | 7:00 A.M. to 12:00<br>5:00 P.M. to 10:00  |                    |                           |                  |
| May through Septem  | ber   | 10:00 A.M. to 10:00   | 0 P.M.             |                           |                  |
| L   |   |   |                    | A                         |                  |

| May through September | •  | 10:00 A.M. to  | 10:00 P.M. |  |      |             |
|-----------------------|--|----------------|------------|--|------|-------------|
| DATE OF ISSUE         | July 21, 2009                                      | DATE EFFEC     | OTIVE:     | August 1, 2  | .009 |             |
| ISSUED BY             | Name of Officer  uthority of an Order of the Publi | c Service Comm | PUBLIC     | President & CEO<br>SERVICE COI<br>OF KENTUCK<br>uckyEinFECTIVE<br>8/1/2009 |      | N           |
| Case No.              | 2008-00536   | <del></del>    | Dated PURS | SECTION 9 (1   |      |             |
|                       |  |                | вуЩ        | Lecutive Direct  | ОГ   | ALVI WALLES |

| Form for filing Rate         | Schedules   |   | FOR                     | All Territory Served              |
|------------------------------|---|---|-------------------------|-----------------------------------|
|                              |   |   | P.S.C. No.              | Community, Town or City<br>5      |
|                              |   |   |                         | SHEET NO. 27                      |
| elby Energy Coo              | perative, Inc.  |   | Original                | ORLET NO.                         |
| Shelbyville, Kentuc          | ky  |   | CANCELLI                | NG P.S.C. NO.                     |
| Name                         | of Issuing Corporation  |   |                         | SHEET NO.                         |
|                              | CLASSI  | FICATION OF SERVICE   |                         |                                   |
|                              | LARGE INDUSTRIA   | AL RATE SCHEDULE C1   |                         | RATE<br>PER UNIT                  |
| MINIMUM )                    | MONTHLY CHARGE:   |   |                         |                                   |
| The minimur                  | m monthly charge shall not be l   | ess than the sum of (a) and (b)                               | below:                  |                                   |
| ` '                          | uct of the billing demand multi<br>luct of the billing demand mult  | - •   |                         | e per kWh.                        |
| POWER FA                     | CTOR ADJUSTMENT:  |   |                         |                                   |
| may be meas<br>the time of h | er agrees to maintain unity pow<br>ured at any time. Should such<br>is maximum demand is less that<br>demand as indicated or recorded           | measurements indicate that the n 0.90 (90%), the demand for t | power factiling pur     | ctor at<br>poses                  |
| FUEL ADJU                    | STMENT CLAUSE:  |   |                         |                                   |
| amount per k<br>The allowand | y be increased or decreased by Wh as billed by the wholesaler<br>ce for line losses will not excee<br>ach losses. The Fuel Clause is SAR 5:056. | power supplier plus an allowadd 10% and is based on a twelve  | nce for lir<br>-month m | ne losses.<br>noving              |
| SPECIAL PI                   | ROVISIONS:  |   |                         | PUBLIC SERVICE COMMISSIO          |
|                              | ery Point - If service is furnishe<br>metering point unless otherwi   | • •   |                         | OF KENTUCKY<br>nt shall EFFECTIVE |
|                              |   |   |                         | JUN 04 1997                       |
| DATE OF ISSUE                | lune 44, 4007   | EFFECTIVE   | DATE:                   | PURSUANT TO 807 KAR 501           |
| DATE OF ISSUE:               | June 11, 1997   | President & General Manage                                    |                         | SERVING THE COMMISSION            |
| SUED BY:                     | Name of Officer   | Title   | <u>-</u>                | Address                           |
|                              | ssued by authority of an Order o  | of the Public Service Commissio                               |                         | ucky in                           |

| rm for filing Rate Schedules  | FOR   | All Territory Served   |
|---|---|--|
| _   |   | Community, Town or Cit   |
|   | P.S.C. No.  | 5  |
| W. T On a south of the  | Original  | SHEET NO. 28   |
| elby Energy Cooperative, Inc.<br>elbyville, Kentucky  | CANCELLIN   | NG P.S.C. NO   |
| Name of Issuing Corporation   |   | SHEET NO.  |
|   |   |  |
| CLASSIFICATION OF   | SERVICE   |  |
| LARGE INDUSTRIAL RA   | TE - SCHEDULE C1  | RATE<br>PER UNIT   |
| SPECIAL PROVISIONS (continued):   |   |  |
| All wiring, pole lines, and other electric equipment of point shall be owned and maintained by the consum-  |   | livery   |
| 2. If service is furnished at Seller's primary line voltage the point of attachment of Seller's primary line to constructure unless otherwise specified in the contract for lines, and other electric equipment (except metering side of the delivery point shall be owned and maintage). | onsumer's transformer<br>or service. All wiring, po<br>equipment) on the load |  |
| TERMS OF PAYMENT:   |   |  |
| The above rates are net; the gross rates are 5% higher monthly bill is not paid by the due date as shown on the bill.   |   |  |
| TEMPORARY SERVICE:  |   |  |
| Consumers requiring temporary service under this r<br>to pay all costs of connecting and disconnecting incidental<br>service. In addition to this, a deposit will be required to co   | to the supplying and repe   | PROFESENTICE COMMISSION  |
| of electricity. Both fees will be paid in advance.  |   |  |
|   |   | JUN 04 1997  |
|   |   | SUANT TO 807 KAR 5:011,<br>SECTION 8 (1)   |
| of electricity. Both fees will be paid in advance.  | BY:   | SUANT TO 807 KAR 5:011,<br>SECTION 9 (1)<br>Stephan Bur<br>CHETARY OF THE COMMISSION |
| of electricity. Both fees will be paid in advance.  ATE OF ISSUE:  June 11, 1997  | BY:   | SUANT TO 807 KAR 5:011,<br>SECTION 8 (1)<br>Stephan Buy                              |

Dated

| Form for filing Rate Schedule   | FOR            | All Territory Served    |    |
|---------------------------------|----------------|-------------------------|----|
|                                 | •              | Community, Town or City |    |
|                                 | P.S.C. NO.     |                         | 5  |
|                                 | 6th Revised    | Sheet No.               | 29 |
| Shelby Energy Cooperative, Inc. | Cancelling P.S | S.C. No.                | 5  |
| Shelbyville, Kentucky           | 5th Revised S  | sheet No.               | 29 |

Name of Issuing Corporation

|   | CLASSIFIC  | CATION OF SERVICE   |                                 |                             |                  |
|---|--|---|---------------------------------|-----------------------------|------------------|
|   | LARGE INDUST   | RIAL RATE - SCHEDULE C  | 2                               |                             | Rate<br>Per Unit |
| usage equal to or greate<br>two "two-party" contracts | r than 400 hours per KW<br>with the first one being  | of 5,000 to 9,999 KW with a mont<br>of contract billing demand. These<br>between the Seller and the Cooper<br>se Seller and the ultimate consume      | contra<br>ative                 | rgy<br>cts will be          |                  |
| Energy Char   | arge per KW of Billing De<br>ge per kWh  | mand<br>the greater of (a) or (b) listed below  | \$ \$ \$<br>\$                  | 1,179.75<br>5.94<br>0.05119 | (1)              |
| (a) T<br>(b) T  | he contract demand<br>he ultimate consumer's pleven months. The peak<br>nergy is used during any | peak demand during the current mo<br>demand shall be the highest avera<br>fifteen-minute interval in the below<br>for power factor as provided herein | onth or<br>age rate<br>/ listed | at which                    |                  |
| <u>Months</u>   | r  | Hours Applicable for<br>Demand Billing - EST  |                                 |                             |                  |
| October through April                                 |  | 7:00 A.M. to 12:00 Noon<br>5:00 P.M. to 10:00 P. M.   |                                 |                             |                  |
| May through Septembe                                  | ,  | 10:00 A.M. to 10:00 P.M.  |                                 |                             |                  |
| DATE OF ICCIDE  | July 21, 2009  | DATE EFFECTIVE:   |                                 | August 1.                   | 2000             |

| May through Septemb | Der Control                        | 10.00 A.W. to 10.00 F. | ,101.  |
|---------------------|------------------------------------|------------------------|--|
| DATE OF ISSUE       | July 21, 2009                      | DATE EFFECTIVE:        | August 1, 2009                                   |
| ISSUED BY           | Name of Officer                    |                        | LIC 罗巨凤钟位至GOMMISSION<br>OF KENTUCKY<br>EFFECTIVE |
| Issued by           | authority of an Order of the Publi |                        |  |
| Case No.            | 2008-00536                         | Dated                  | URSUANT TO 807 KAR 5:011<br>                     |
|                     |                                    | ву                     | Dew Executive Director                           |

| Form for filing Rate Schedules   |  | FOR                            | All Territor                          | y Served            |
|--|--|--------------------------------|---------------------------------------|---------------------|
|  |  | P.S.C. No.                     | Community                             | , Town or City<br>5 |
|  |  |                                |                                       |                     |
| elby Energy Cooperative, Inc.  |  | Original                       | _SHEET NO.                            | 30                  |
| helbyville, Kentucky   |  | CANCELLI                       | NG P.S.C. NO.                         |                     |
| Name of Issuing Corporation  |  |                                | SHEET NO.                             | ·                   |
| CLASSIFI   | CATION OF SERVICE  | PUBL                           | IC SERVICE C<br>OF KENTUK<br>EFFECTIV | CKY                 |
| LARGE INDUSTRIA  | L RATE SCHEDULE C2   |                                | JUN 01                                | RATE<br>199 ER UNIT |
| MINIMUM MONTHLY CHARGE:  |  | BY:                            | SUANT TO 807<br>SECTIONS              | (1)<br>Bey          |
| The minimum monthly charge shall not be les  | ss than the sum of (a) and (b                              | ) below: SEC                   | RETARY OF THE                         | COMMISSION          |
| <ul><li>(a) The product of the billing demand multip</li><li>(b) The product of the billing demand multip</li></ul>  |  |                                | e per kWh.                            |                     |
| POWER FACTOR ADJUSTMENT:   |  |                                | 1                                     |                     |
| The consumer agrees to maintain unity power may be measured at any time. Should such me the time of his maximum demand is less than shall be the demand as indicated or recorded, power factor.                  | neasurements indicate that the 0.90 (90%), the demand for  | ne power factories billing pur | ctor at<br>poses                      |                     |
| FUEL ADJUSTMENT CLAUSE:  |  |                                |                                       |                     |
| This rate may be increased or decreased by an amount per kWh as billed by the wholesaler per the allowance for line losses will not exceed average of such losses. The Fuel Clause is sure out in 807 KAR 5:056. | power supplier plus an allow<br>10% and is based on a twel | vance for linve-month m        | e losses.<br>oving                    |                     |
| SPECIAL PROVISIONS:  |  |                                |                                       |                     |
| 1. <u>Delivery Point</u> - If service is furnished be the metering point unless otherwise  | • •  |                                | nt shall                              |                     |
| ATE OF ISSUE: June 11, 1997  | EFFECTIV   | /E DATE:                       | Jun                                   | e 4, 1997           |
| SUED BY: Dudly Better J.  Name of Officer  | President & General Manag                                  | ger                            | Shelbyv                               | lle, KY 40065       |

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

Case No.

Dated

| Form for filing Rate Schedules  | FOR  | All Territor               |   |
|---|--|----------------------------|---|
|   | P.S.C. No.                                 | Community                  | r, Town or City<br>5                                    |
|   |  | SHEET NO.                  | 31  |
| helby Energy Cooperative, Inc.  |  |                            |   |
| Shelbyville, Kentucky   | CANCELLI                                   | NG P.S.C. NO.<br>SHEET NO. |   |
| Name of Issuing Corporation   |  | _ SILET NO.                |   |
| CLASSIFICATION OF SERVICE   |  |                            |   |
| LARGE INDUSTRIAL RATE - SCHE  | DULE C2                                    |                            | RATE<br>PER UNIT  |
| SPECIAL PROVISIONS (continued):   |  |                            |   |
| All wiring, pole lines, and other electric equipment on the load appoint shall be owned and maintained by the consumer.   | side of the del                            | ivery                      |   |
| 2. If service is furnished at Seller's primary line voltage, the delive the point of attachment of Seller's primary line to consumer's trestructure unless otherwise specified in the contract for service. lines, and other electric equipment (except metering equipment) side of the delivery point shall be owned and maintained by the | ansformer<br>All wiring, po<br>on the load | JBLIC SE<br>ole OF<br>E    | RVICE COMMISSION<br>KENTUCKY<br>FFECTIVE<br>() 4 1997   |
| TERMS OF PAYMENT:  The above rates are net; the gross rates are 5% higher. In the exmonthly bill is not paid by the due date as shown on the bill, the gross is   | ent the currer                             | BY: Stephant SECRETARY (   | O 807 KAR 5:011<br>TION 9 (1)<br>BULL<br>THE COMMISSION |
| TEMPORARY SERVICE:  |  |                            |   |
| Consumers requiring temporary service under this rate schedule to pay all costs of connecting and disconnecting incidental to the suppl service. In addition to this, a deposit will be required to cover estimate of electricity. Both fees will be paid in advance.   | ying and remo                              | oving of                   |   |
|   |  |                            | 4 4007  |
| DATE OF 1000E.  | TIVE DATE:                                 |                            | ne 4, 1997  |
| SUED BY: President & General Man  | nager                                      | Addres                     | rille, KY 40065   |
| Issued by authority of an Order of the Public Service Comm<br>Case No.  | ission of Kent                             | tucky in                   |   |

Form for filing Rate Schedule

FOR All Territory Served

Community, Town or City

P.S.C. N0.
6th Revised Sheet No.

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

FOR All Territory Served

Community, Town or City

P.S.C. No.
5

Sheet No.

5

Sheet No.
32

Name of Issuing Corporation

**CLASSIFICATION OF SERVICE** Rate LARGE INDUSTRIAL RATE - SCHEDULE C3 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 3,288.73 \$ Transformer Size of 10,000 - 14,999 kVa \$ 5,220.04 Transformer Size of 15,000 kVa and greater \$ 5.94 Demand Charge per kW 0.05008 (1)Energy Charge per kWh **BILLING DEMAND:** The monthly billing demand shall be the greater of (a) or (b) listed below: The contract demand (a) The consumer's peak demand during the current month or preceding (b) 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: Hours Applicable for Demand Billing - EST **Months** 7:00 A.M. to 12:00 Noon October through April 5:00 P.M. to 10:00 P.M. 10:00 A.M. to 10:00 P.M. May through September

| DATE OF ISSUE | July 21, 2009                          | DATE EFFECT      | IVE: August 1, 2009                                  |
|---------------|--|------------------|--|
| ISSUED BY     | Name of Officer                        | final Ti         | TIPLIBLIC SERVICE COMMISSION  OF KENTUCKY  EFFECTIVE |
| Issued        | by authority of an Order of the Public | c Service Commis | —· ·   |
| Case N        | lo. 2008-00536                         | D                | Dated S原环(导)处的的)                                     |
| 5355 /        |  | E                | By By Executive Director                             |

| Form for filing Rate Schedule   | FOR All Territory Served |    |
|---------------------------------|--------------------------|----|
|                                 | Community, Town or City  | 7  |
|                                 | P.S.C. N0.               | 5  |
|                                 | 3rd Revised Sheet No.    | 33 |
| Shelby Energy Cooperative, Inc. | Canceling P.S.C. No.     | 5  |
| Shelbyville, Kentucky           | 2nd Revised Sheet No.    | 33 |

| MINIMUM MONTHLY CHARGE:  The minimum monthly charge shall not be less than the sum of (a) through (d) below:  (a) Consumer Charge  (b) The product of the contract demand multiplied by the contract demand charge.  (c) The product of the contract demand multiplied by 400 hours and the energy charge per kWh minus the fuel base per kWh.  (d) Contract provisions that reflect special facilities requirements  POWER FACTOR ADJUSTMENT:  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 this billing demand is less than 0.90 (90%), the demand for the billing purposes shall be the demand as indicated or recorded, multiplied by 0.90 (90%) and divided by the power factor.  FUEL ADJUSTMENT CLAUSE:  This rate may be increased or decreased by an amount per kWh equal to the fuel adjustment | Rate    |
|--|---------|
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| 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 807 KAR 5:056  |         |
|  |         |
| DATE OF ISSUE  July 20, 2004  DATE EFFECTIVELIC SERVICEUCON  ISSUED BY  TITLE  OFFESTIVE CEC   |         |

| DATE OF ISSUE | July 20, 2004                              | $\cap$     | DATE EFF    | ECPIVELIC     | SERVICE-ING.               | A OISSHOUM |
|---------------|--|------------|-------------|---------------|----------------------------|------------|
| ISSUED BY     | Dudley Botton.                             | 1          |             | TITLE         | OPTREVITAGE                | ĘĄ         |
|               | Name of Officer                            | .0         |             |               | 7/0/2004                   | -          |
| Issued by     | authority of an Order of the               | e Public S | Service Com | mission of Ke | entucky m <sup>12004</sup> |            |
| Case No.      | authority of an Order of the<br>2004-00195 |            |             | DatedUR       | SUANT TO BUS               | KAR 5:011  |
|               |  |            |             |               | SECTION 9 (                | 1)         |
|               |  |            |             |               |                            |            |
|               |  |            | 1           | وسعويسر       |                            |            |

Executive Director

| Form for filing Rate Schedules  |  |   | FOR  |                                       | All Territor              | y Served                |
|---|--|---|--|---------------------------------------|---------------------------|-------------------------|
|   | PUBLIC   | SERVICE COMMISSION<br>OF KENTUCKY                                   | P.S.0  | C. No.                                | Community                 | , Town or City<br>5     |
|   |  | EFFECTIVE   |  | ginal                                 | SHEET NO.                 | 34                      |
| ⊩elby Energy Cooperative, Inc.<br>Shelbyville, Kentucky   | J  | UN 04 1997  |  |                                       | IG P.S.C. NO.             |                         |
| Name of Issuing Corporation   | PURSU/   | NT TO 807 KAR 5:011, SECTION 9 (1)                                  |  | · · · · · · · · · · · · · · · · · · · | SHEET NO.                 |                         |
|   | CLASSIF  |   | VICE   | ,                                     |                           |                         |
| L   | ARGE IND   | USTRIAL RATE - S  | SCHEDULE C   | 3                                     |                           | RATE<br>PER UNIT        |
| SPECIAL PROVISIONS (contin  | nued):   |   |  |                                       |                           |                         |
| All wiring, pole lines, an point shall be owned and   | d other electr                                       |   | load side of th  | e deli                                | ivery                     |                         |
| 2. If service is furnished at the point of attachment o structure unless otherwise lines, and other electric e side of the delivery point | of Seller's print<br>e specified in<br>equipment (ex | mary line to consum<br>the contract for ser<br>scept metering equip | er's transforme<br>vice. All wirin<br>oment) on the le | er<br>ig, po<br>oad                   |                           |                         |
| TERMS OF PAYMENT:   |  |   |  |                                       |                           |                         |
| The above rates are net; t<br>monthly bill is not paid by the do  | _  | <del>-</del>  |  |                                       |                           |                         |
| TEMPORARY SERVICE:  |  | ·   |  |                                       |                           |                         |
| Consumers requiring tem<br>to pay all costs of connecting and<br>service. In addition to this, a dep<br>of electricity. Both fees will be | d disconnecti<br>posit will be                       | ng incidental to the<br>required to cover es                        | supplying and  | remo                                  | vipg of co                | MMISSION<br>(Y          |
|   |  |   |  | ,                                     | JUN 04 1                  | 97                      |
|   |  |   | R  | _                                     | ANT TO 807 H<br>SECTION 9 |                         |
| ATE OF ISSUE: June 11, 199  | 97   |   | FFECTIVE DAT   | SECRI                                 | TARY OF THE CO            | MMISSION ***<br>4, 1997 |
| SUED BY: Judle 35   | thom of  | President & Gener   | al Manager   |                                       | Shelbyvil<br>Address      | le, KY 40065            |
| Issued by authority of Case No.   | of an Order of                                       | the Public Service (  | Commission of Dated                                    | Kentı                                 | ıcky in                   | ?                       |

| Form for filing Rate Schedule   | FOR All Territory Served |    |
|---------------------------------|--------------------------|----|
|                                 | Community, Town or City  |    |
|                                 | P.S.C. No.               | 5  |
|                                 | 2nd Revised Sheet No.    | 35 |
| Shelby Energy Cooperative, Inc. | Canceling P.S.C. NO.     | 5  |
| Shelbyville, Kentucky           | 1st Revised Sheet No.    | 35 |
| Name of Issuing Corporation     |                          |    |

| CLASSIFICATION OF SERVICE  |                  |                  |                         |            |                  |
|--|------------------|------------------|-------------------------|------------|------------------|
| I  | NTERRUP          | TIBLE SI         | RVICE                   |            | Rate<br>Per Unit |
| Standard Rider  This Interruptible Rate is a rider  Applicable   | to Rate Sch      | edule(s) 2, 4    | , 22, B1, B2, B3, C1, C | 2, and C3. |                  |
| In all territory served by the Coo   | perative.        |                  |                         |            |                  |
| Availability of Service  | •                |                  |                         |            | ,                |
| This schedule shall be made available to any member where that member will contract for an interruptible demand of not less than 250 kW and not more than 20,000 kW, subject to a maximum number of hours interruption per year and a notice period as listed below. |                  |                  |                         |            |                  |
| Monthly Rate   |                  |                  |                         |            |                  |
| A monthly demand credit per k  | W is to be ba    | ised on the f    | ollowing matrix:        |            |                  |
|  | ANNU             | I<br>AL HOURS    | OF INTERRUPTION         |            |                  |
| NOTICE<br><u>MINUTES</u>   | <u>200</u>       | <u>300</u>       | <u>400</u>              |            |                  |
| 10<br>60   | \$4.20<br>\$3.50 | \$4.90<br>\$4.20 | \$5.60<br>\$4.90        |            | (1)<br>(1)       |
|  |                  |                  |                         |            |                  |

DATE OF ISSUE

March 26, 2009

DATE EFFECTBINES SERVICEAGON/MINUSSION

ISSUED BY

Name of Officer Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentheky i807 KAR 5:011

Case No. 2008-00423

Dated SEMARTH 31 2009

|                                    | ng Rate Schedules  |  |   |   | FOR  | All Territor  |                                  |
|------------------------------------|--|--|---|---|--|---|----------------------------------|
|                                    | •  |  |   |   |  | Community   | , Town or Ci                     |
|                                    |  |  |   |   | P.S.C. No.   |   | 5                                |
|                                    |  |  |   |   | Original   | SHEET NO.   | 36                               |
| -                                  | rgy Cooperative, Inc.  |  |   |   |  | ·   |                                  |
| lbyville,                          | Kentucky   |  |   |   | CANCELLIN  | NG P.S.C. NO.   |                                  |
|                                    | Name of Issuing Corporation  |  |   |   | ,  | SHEET NO.   |                                  |
|                                    |  | CLASSII  | FICATION (  | OF SERVICE  |  |   |                                  |
|                                    |  | IN   | TERRUPTII   | BLE SERVICE   |  |   | RATE<br>PER UNI                  |
| Deter                              | mination of Measured Load  | l - Billing I  | Demand  |   |  |   |                                  |
|                                    | nonthly billing demand shal  |  |   |   | energy is used   | during  |                                  |
|                                    | MONTHS   | HOU  |   | ABLE FOR DE<br>G - E. S. T.   | MAND   |   |                                  |
|                                    | October through April  |  |   | to 12:00 noon<br>to 10:00 p.m.  |  |   | ·                                |
|                                    | May through September  |  | 10:00 a.m.  | to 10:00 p.m.   |  | •   |                                  |
| The i                              | nterruptible billing demand<br>and exceeds the minimum bi  | shall be eq<br>illing dema   | qual to the an<br>and as specifi  | nount by which ed in the contra   | the monthly lact.  | billing   |                                  |
|                                    |  |  |   |   |  |   |                                  |
| Cond                               | litions of Service for Memb  | er Contract  | ţ   |   |  |   |                                  |
| Cond                               | The member will, upon n supplied by the Cooperat contract.   |  |   | erative, reduce<br>ling demand sp   | his/her load b   |   |                                  |
| -                                  |  | notification ive to the relationship in the relationship in the relationship interruption interruption   | by the Coop<br>ninimum bill<br>rovide the man of service.   | ember with as r<br>However, the r   | nuch advance<br>nember shall                                       | JUN 04  | 1997                             |
| 1.                                 | The member will, upon no supplied by the Cooperate contract.  The Cooperative will end notice as possible of the interest of t | notification ive to the releasor to printerruption the notice produced the   | by the Coop<br>ninimum bill<br>rovide the man of service.<br>eriod as cont                                    | ember with as r<br>However, the r<br>racted.  | nuch advance<br>nember shall<br>PUR<br>egulations"                 | JUN 04 SUANT TO 807 SECTION 6   | 1997<br>KAR 5:011,               |
| <ol> <li>2.</li> <li>3.</li> </ol> | The member will, upon no supplied by the Cooperation contract.  The Cooperative will end notice as possible of the interrupt service within the Service will be furnished except as set out herein a   | leavor to printerruption he notice produced under the and/or province provi | by the Coop<br>ninimum bill<br>rovide the man of service.<br>eriod as cont                                    | ember with as r<br>However, the r<br>racted.<br>'s "Rules and Ra<br>I to by written o | nuch advance<br>nember shall<br>PUR<br>egulations"                 | SUANT TO 807<br>SECTION S<br>SECTION S<br>SECTION S<br>SETARY OF THE CO | 1997<br>KAR 5:011,               |
| 2.                                 | The member will, upon in supplied by the Cooperation contract.  The Cooperative will end notice as possible of the interrupt service within the Service will be furnished except as set out herein a Supplied of the interrupt service will be furnished except as set out herein a supplied of the interrupt service will be furnished except as set out herein a supplied of the interrupt service will be furnished except as set out herein a supplied of the interrupt service will be furnished except as set out herein a supplied by the Cooperation in the interrupt service will be furnished except as set out herein a supplied by the Cooperation in the interrupt service will be furnished except as set out herein a supplied by the Cooperation in the interrupt service will be furnished except as set out herein a supplied by the Cooperation in the interrupt service will be furnished except as set out herein a supplied by the interrupt service will be furnished except as set out herein a supplied by the interrupt service will be furnished except as set out herein a supplied by the interrupt service will be furnished except as set out herein a supplied by the interrupt service will be furnished except as set out herein a supplied by the interrupt service will be supplied by the interrupt s | leavor to printerruption he notice produced under the and/or province provi | by the Coop<br>ninimum bill<br>rovide the man<br>of service.<br>eriod as cont<br>Cooperative<br>isions agreed | ember with as r<br>However, the r<br>racted.<br>'s "Rules and Ra<br>I to by written o | nuch advance<br>nember shall<br>PUR<br>egulations"<br>contract.BY: | SUANT TO 807 SECTION S SECTION S SECTION S SETARY OF THE CO             | 1997<br>KAR 5:011,<br>(1)<br>SUL |

| Form for filing | g Rate Schedules  | FOR                                     | All Territory Served                    |
|-----------------|---|---|---|
|                 |   | P.S.C. No.                              | Community, Town or City<br>5            |
|                 |   |   |   |
| elby Energ      | y Cooperative, Inc.   | Original                                | SHEET NO. 37                            |
| Shelbyville, K  | •   | CANCELLIN                               | NG P.S.C. NO.                           |
|                 | Name of Issuing Corporation   |   | SHEET NO.                               |
|                 | CLASSIFICATION OF SERVICE   | *************************************** |   |
|                 | INTERRUPTIBLE SERVICE   |   | RATE<br>PER UNIT                        |
| <u>Conditi</u>  | ons of Service for Member Contract (con't)  |   |   |
|                 | No responsibility of any kind shall attach the Cooperative for, or of, any loss or damage caused by, or resulting from, any interrupt curtailment of this service.  |   |   |
|                 | The Member shall own, operate, and maintain all necessary equip receiving electric energy and all telemetering and communication within the Member's premises, required for interruptible service.  |   | .,                                      |
| )               | The minimum original contract period shall be one year and there terminated by giving at least six months previous written notice. Cooperative may require a contract be executed for a longer initial deemed necessary by the size of the load and other conditions. | The                                     |   |
|                 | The Fuel Adjustment Clause, as specified in the prevailing rate so applicable.  |   | BLIC SERVICE COMMISSION                 |
| 1               | Any transformers required in excess of those used for regular firm<br>be owned and maintained by the member.  |   | 1 EFFECTIVE                             |
| Calcula         | tion of Monthly Bill  | <b></b>                                 | 1,331                                   |
|                 | onthly bill is calculated on the following basis:   | PURS<br>BY:_S                           | SUANT TO 807 KAR 5011.<br>SECTION 8 (1) |
|                 | A. Sum of customer charge, plus   | SECA                                    | ETARY OF THE COMMISSION                 |
|                 | B. Minimum billing demand in kW multiplied by the firm ca   | apacity rate,                           | plus                                    |
|                 | C. Interruptible billing demand in kW multiplied by interrup  | tible rate, pl                          | us                                      |
| DATE OF ISS     | UE: June 11, 1997 EFFECTI   | VE DATE:                                | June 4, 1997                            |
| SUED BY:        | Name of Officer President & General Mana  | ger                                     | Shelbyville, KY 40065<br>Address        |
|                 | Issued by authority of an Order of the Public Service Commiss   | sion of Kentu                           | ucky in                                 |

Dated \_\_\_\_\_

Case No.

| m for filing Rate         | e Schedules   | FOR  |                                 | All Territory Served |  |  |
|---------------------------|---|--|---------------------------------|----------------------|--|--|
|                           |   | P.S.C. N   | -                               | , Town or C          |  |  |
|                           |   |  | <u> </u>                        |                      |  |  |
| elby Energy Cod           | perative, Inc.  | 1St Revis  | sed SHEET NO.                   | 30                   |  |  |
| elbyville, Kentu          |   | CANCEL   | LING P.S.C. NO.                 | . 5                  |  |  |
| Naп                       | e of Issuing Corporation  | Original   | SHEET NO.                       | 38                   |  |  |
|                           | CLASSIFICA  | TION OF SERVICE  |                                 |                      |  |  |
|                           | INTERF  | UPTIBLE SERVICE  |                                 | RATE<br>PER UNI      |  |  |
| Calculation (             | of Monthly Bill (con't)   |  |                                 |                      |  |  |
| D.                        | Energy in kWh multiplied by the e   | nergy rate.  |                                 |                      |  |  |
| Number and                | Duration of Interruptions   |  |                                 |                      |  |  |
|                           | -   | more than two (2) intermentions d                                      | urina                           |                      |  |  |
| A.                        | Winter Season: There shall be no any 24 hour calendar day. No inte  |  |                                 | (T)                  |  |  |
| В.                        | Summer Season: There shall be no any 24 hour calendar day. No inte  |  |                                 | (T)                  |  |  |
| C.                        | The maximum number of annual haccordance with the member contr  |  | e.                              |                      |  |  |
| Charge for F              | ailure to Interrupt   |  |                                 |                      |  |  |
| shall bill the power dema | ails to interrupt load as requested by uninterrupted load at a rate equal to nd charge for that billing month. Un requested interruption minus minimu | five (5) times the applicable firm interrupted load is equal to actual | 101 % 8 <b>810</b> 1<br>1010    |                      |  |  |
|                           |   | NOV 13   | 2000                            |                      |  |  |
|                           |   | PURSUANT TO PO   | 7 KAR 5011,<br>3 <sup>(1)</sup> |                      |  |  |
| TE OF ISSUE:              | October 13, 2000  | EFFECTIVE DATE:  | Novem                           | ber 13, 2000         |  |  |
| UED BY:                   |   | resident & CEO   | Shelbyvi                        | lle, KY 4006         |  |  |
| •                         | Name of Officer   | Title  | Addres                          |                      |  |  |

| 1   | Name | of Office | , / | Title | Address |  |
|---|------|-----------|-----|-------|---------|--|
| Issued by authority of an Order of the Public Service Commission of Kentucky in |      |           |     |       |         |  |
| Case  | No.  |           |     |       | Dated   |  |
|   |      |           |     |       |         |  |

| Form for filing Rate Schedule   | FOR          | All Territory Served    |    |
|---------------------------------|--------------|-------------------------|----|
| · ·                             |              | Community, Town or City |    |
|                                 | P.S.C. NO.   |                         | 5  |
|                                 | 9th Revised  | Sheet No.               | 39 |
| Shelby Energy Cooperative, Inc. | Cancelling P | ,s.c. No.               | 5  |
| Shelbyville, Kentucky           | 8th Revised  | Sheet No.               | 39 |
| Name of Issuing Corporation     |              |                         |    |

| CLASSIFICATION OF SERVICE |            |  |          |             |                        |                  |
|---------------------------|------------|--|----------|-------------|------------------------|------------------|
|                           |            | OPTIONAL T-O-D DEM   | AND      | - RATE 2    | 2                      | Rate<br>Per Unit |
| AVAILABIL                 | JTY:       |  |          |             |                        |                  |
| located on                | onsumers v | o all consumers whose KW dem<br>who do not qualify under availab<br>ler's line for all types of usage, s | ility of | service und | ier Rate 1 or Rate 10, |                  |
| TYPES OF                  | SERVICE    |  |          |             |                        |                  |
|                           | Three -pha | ase, 60 Hertz, available at Seller   | s's sta  | ndard volta | ge                     |                  |
| RATE:                     | Consumer   | Charge   |          |             |                        |                  |
|                           | \$44.14    |  |          |             | :                      |                  |
|                           | Demand C   | <u>Charge</u>  |          |             |                        |                  |
|                           | \$4.97 per | month per KW of billing demand   | ŀ        | •           |                        |                  |
|                           | Energy Ch  | narge  |          |             |                        |                  |
|                           | First      | 100 kWh per KW demand  | \$       | 0.07676     | per kWh                | (1)              |
|                           | Next       | 100 kWh per KW demand  | \$       | 0.07061     | per kWh                | (1)              |
|                           | All Over   | 200 kWh per KW demand  | \$       | 0.06448     | per kWh                | (1)              |
|                           |            |  |          |             |                        |                  |
|                           |            |  |          |             |                        |                  |

| DATE OF ISSUE | July 21, 2009                      | DATE EFFECTIVE:        | August 1, 2009                          |
|---------------|------------------------------------|------------------------|---|
| ISSUED BY     | 1 )ophie Marti                     | TILE                   | President & CEO                         |
|               | Name of Officer                    | PUBLIC                 | SERVICE COMMISSION                      |
| Issued by     | authority of an Order of the Publi | c Service Commission o | HAE KENTUCKY                            |
| Case No.      | 2008-00536                         | Dated                  | 341V2802009                             |
|               |                                    | PUR                    | SUANT TO 807 KAR 5:011<br>SECTION 9 (1) |
|               |                                    | By W                   | Mour                                    |
|               |                                    |                        | Executive Director                      |

| Form for filing Rate Schedules   | FO   | R                            | All Territory Served                                 |
|--|--|------------------------------|--|
|  |  |                              | Community, Town or Cit                               |
|  | P.S  | S.C. No.                     | 5  |
| within Emprey Cooperative Inc  | _0   | riginal                      | SHEET NO. 40   |
| elby Energy Cooperative, Inc. Shelbyville, Kentucky  | · CA   | NCELLI                       | NG P.S.C. NO.  |
| Name of Issuing Corporation  |  |                              | SHEET NO.  |
| Name of issuing corporation  | -  |                              |  |
| CLASSIF  | FICATION OF SERVICE  |                              |  |
| OPTIONAL T-O-D I   | DEMAND - RATE 22   |                              | RATE<br>PER UNIT                                     |
| DETERMINATION OF BILLING DEMAN   | I <u>D</u> :   |                              |  |
| The billing demand shall be the maxi<br>consumer during any fifteen-minute interval<br>and adjusted for power factor as provided he  | in the below listed hours for each   |                              |  |
|  | Hours Applicable for   | Paris -                      |  |
| Months   | Demand Billing - EST   | PU                           | JBLIC SERVICE COMMISSION<br>OF KENTUCKY<br>EFFECTIVE |
| October through April  | 7:00 A.M. to 12:00 Noc   |                              |  |
|  | 5:00 P.M. to 10:00 P.M.  | 1.                           | JUN 04 1997  |
| May through September  | 10:00 A.M. to 10:00 P.M  |                              | RSUANT TO 807 KAR 5:011,<br>SECTION 9 (1)            |
| POWER FACTOR ADJUSTMENT:   |  |                              | Stephan Bu   |
| The consumer agrees to maintain unit Power factor may be measured at any time. the power factor at the time of maximum bidemand for billing purposes shall be the den meter multiplied by 0.90 (90%) and divided     | Should such measurements indicated lling demand is less than 0.90 (90° pand as indicated or recorded by the state of the s | cable.<br>te that<br>%), the | 2  |
| FUEL ADJUSTMENT CLAUSE:  |  |                              |  |
| This rate may be increased or decrea fuel adjustment amount per kWh as billed by allowance for line losses. The allowance for on a twelve-month moving average of such other applicable provisions as set out in 807 | y the wholesale power supplier plu<br>r line losses will not exceed 10% a<br>losses. The Fuel Clause is subject  | us an<br>and is l            |  |
| DATE OF ISSUE: June 11, 1997   | EFFECTIVE DA   | ATE:                         | June 4, 1997   |
| SUED BY: Pudley Betton, Jr.  | President & General Manager  |                              | Shelbyville, KY 4006                                 |
| Name of Officer  | Title  |                              | Address  |

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

Case No.

| Form for filing Rate | Schedules   | F   | OR                             | All Territor                | Served                |
|----------------------|---|---|--------------------------------|-----------------------------|-----------------------|
| _                    |   | _   |                                | Community                   | , Town or City        |
|                      |   |   | .S.C. No.                      |                             | 5                     |
| ₃elby Energy Coo     | perative. Inc.  | <u></u>   | Onginal                        | SHEET NO.                   | 41                    |
| Shelbyville, Kentuc  |   | C   | ANCELLI                        | NG P.S.C. NO.               |                       |
| Name                 | e of Issuing Corporation  |   |                                | SHEET NO.                   |                       |
|                      | CLASSIF   | ICATION OF SERVICE  |                                |                             |                       |
|                      | OPTIONAL T-O-D I  | DEMAND - RATE 22  |                                |                             | RATE<br>PER UNIT      |
| MINIMUM              | MONTHLY CHARGE:   | ·   |                                |                             |                       |
|                      | ninimum monthly charge shall ld for the consumer in question:   | be the highest one of the following   | ng charg                       | ges                         |                       |
| 1.                   | The minimum monthly charg   | e specified in the contract for ser   | vices.                         |                             |                       |
| 2.                   | The charge of \$1.00 per KVA  | of installed transformer capacit  | y.                             |                             |                       |
| SPECIAL PI           | ROVISIONS:  |   |                                |                             |                       |
| 1.                   | <u>Delivery Point</u> - If service is a delivery point shall be the me specified in the contract for se                               | <del></del>   | ne                             |                             |                       |
|                      | C, 1  | ner electric equipment on the loa<br>I be owned and maintained by   |                                |                             |                       |
| 2.                   | point shall be the point of atta<br>consumer's transformer struct<br>the contract for service. All ve<br>equipment (excepting meteric | or's primary line voltage, the delichment of Seller's primary line to ure unless otherwise specified in viring, pole lines, and other electing equipment) on the load side of and maintained by the consume | very<br>o<br>i<br>ric<br>f the | JUN O JRSUANT TO 81 SECTION | 1 1997                |
| 3.                   | voltage, a discount of five pe  | The Seller shall have the option  | n - · · ·                      | Stephan()                   | COMMISSION            |
| DATE OF ISSUE:       | June 11, 1997   | EFFECTIVE I   | ATE:                           | June                        | e 4, 1997             |
| SUED BY:             | Durilly Betton - Jr. Name of Officer  | President & General Manager   |                                | Shelbyvii<br>Address        | lle, KY 40065         |
|                      | ssued by authority of an Order o  | f the Public Service Commission Dated   | of Kent                        | tucky in                    | namental and the same |

| Form for filing Rate Schedules  | FOR   | All Territory                              | Served                |
|---|---|--|-----------------------|
|   |   | Community                                  | , Town or City        |
|   | P.S.C. No.                                      |  | 5                     |
|   | Original  | SHEET NO.                                  | 42                    |
| elby Energy Cooperative, Inc. Shelbyville, Kentucky   | CANCELLI  | NG P.S.C. NO.                              |                       |
|   | O7 (17 O la | •  |                       |
| Name of Issuing Corporation   |   | SHEET NO.                                  |                       |
| CLASSIFICATION OF SERVICE   |   |  |                       |
| OPTIONAL T-O-D DEMAND - RATE 22   |   |  | RATE<br>PER UNIT      |
| SPECIAL PROVISIONS:   |   |  |                       |
| 4. <u>Contract</u> - An "Agreement for Purchase of Power" shall executed by the consumer for service under this rate sch  |   |  |                       |
| TERMS OF PAYMENT:   |   |  |                       |
| The above rates are net; the gross rates are 10% higher. In the current monthly bill is not paid by the due date as shown on the bill, the shall apply.   |   |  |                       |
| SPECIAL RULES:  |   |  |                       |
| Motors having a rated capacity in excess of ten horsepower (10 be three-phase. Motors in excess of five horsepower (5 HP) shall be prwith compensating starting equipment acceptable to the Seller.   | HP) must<br>ovided                              |  |                       |
| TEMPORARY SERVICE:  | -   | u imi e a                                  |                       |
| Consumers requiring temporary service under this rate schedule required to pay all costs of connecting and disconnecting incidental to supplying and removing of service. In addition to this, a deposit will be to cover estimated consumption of electricity. Both fees will be paid in | e may be<br>the<br>e required                   | OBLIC SERVICE<br>OF KEN<br>EFFEC<br>JUN 04 | TIVE                  |
|   | PL  | RSUANT TO 80<br>SECTION                    | 7 KAR 5:011.<br>9 (1) |
|   |   | Stephano<br>ECRETARY OF THE                | Recei                 |
|   |   |  |                       |
| DATE OF ISSUE: June 11, 1997 EFFEC  | TIVE DATE:                                      | June                                       | e 4, 1997             |
| SUED BY: Dresident & General Ma Name of Officer Title   | nager   | Shelbyvi<br>Address                        | lle, KY 40065         |
| Issued by authority of an Order of the Public Service Comm  | ission of Ken                                   | tucky in                                   |                       |

| Form for filing Rate Schedule                | FOR        | All Territory Served | S:1.             |
|--|------------|----------------------|------------------|
|  | P.S.C. No  | Community, Town or C | oity<br>5        |
|  |            | sed Sheet No.        | 43               |
| Shelby Energy Cooperative, Inc.              |            | g P.S.C. No.         | 5                |
| Shelbyville, KY  Name of Issuing Corporation | 6th Revis  | sed Sheet No.        | 43               |
| CLASSIFICATION                               | N OF SERVI | CE                   |                  |
| 02,(30), 10, (110)                           |            |                      |                  |
|  |            |                      | Rate<br>Per Unit |
|  |            |                      |                  |
|  |            |                      |                  |
| Reserved for Futur                           | e lise     |                      |                  |
| 1,000,100,15,1,000,                          | 0 000      |                      |                  |
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| DATE OF ISSUE | December 31, 2009 | DATE EFFECTIVE; | February 1, 2010 |  |
|---------------|-------------------|-----------------|------------------|--|
|               |                   |                 |                  |  |
| ISSUED BY     |                   | TITLE:          | President & CEO  |  |
|               | Name of Officer   |                 |                  |  |

| Form for filing Rate Schedule   | FOR      | All Territory Served |         |
|---------------------------------|----------|----------------------|---------|
|                                 |          | Community, Town      | or City |
|                                 | P.S.C. N | lo.                  | 5       |
|                                 | 1st Revi | sed Sheet No.        | 44      |
| Shelby Energy Cooperative, Inc. | Cancelir | ng P.S.C. No.        | 5       |
| Shelbyville, KY                 | Original | Sheet No.            | 44      |
| Name of Issuing Corporation     |          |                      |         |

|               | CLASSIFICATION      | OF SERVICE      |                  |
|---------------|---------------------|-----------------|------------------|
|               |                     |                 | Rate<br>Per Unit |
|               |                     |                 | 1 GI OIIII       |
| -             |                     |                 |                  |
|               | Reserved for Future | Use             |                  |
|               |                     |                 |                  |
| -             |                     |                 |                  |
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| <u>-</u>      |                     |                 |                  |
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| DATE OF ISSUE | December 21, 2000   | DATE EFFOTIVE   | Echruani 1 2010  |
| DATE OF 1880E | December 31, 2009   | DATE EFFECTIVE; | February 1, 2010 |
| ISSUED BY     |                     | TITLE:          | President & CEO  |

ISSUED BY

Name of Officer

Form for filing Rate Schedule

FOR

All Territory Served
Community, Town or City

|                                 | P.S.C. No.<br>1st Revised Sheet No. | 5<br>45 |
|---------------------------------|-------------------------------------|---------|
| Shelby Energy Cooperative, Inc. | Canceling P.S.C. No.                | 5       |
| Shelbyville, KY                 | Original Sheet No.                  | 45      |
| Name of Issuing Corporation     |                                     |         |

|               | CLASSIFICA        | TION OF SERVICE |        |             |          |
|---------------|-------------------|-----------------|--------|-------------|----------|
|               |                   |                 |        |             | Rate     |
|               |                   |                 |        |             | Per Unit |
|               |                   |                 |        |             |          |
|               |                   |                 |        |             |          |
|               | Reserved for I    | Future Use      |        |             |          |
|               | 110301704 101 1   | 2.2.0           |        |             |          |
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| 1             |                   |                 |        |             |          |
|               |                   |                 |        |             |          |
| DATE OF ISSUE | December 31, 2009 | DATE EFFEC      | CTIVE; | February 1, | 2010     |
| 100HED DV     |                   |                 |        | Descident 9 |          |

TITLE: President & CEO ISSUED BY Name of Officer



## August 12, 2008

## Average Underground Cost Differential

(Filed in compliance with 807 KAR 5:041 Section 21 (5)

Average cost differential – individual single phase underground primary:

Average cost, individual single phase underground primary = \$24.03 per foot Average cost, individual single phase overhead primary = \$9.96 per foot

Average cost differential =

\$ 14.07 per foot\*

Customer to trench, furnish and install all conduit and fittings and back-fill trench per Cooperative's specifications. Cooperative will in turn, complete the installation and credit the Customer \$6.98 per foot against the Cooperative's differential cost for the Customer's contribution in kind: \$14.07 - \$6.98 = \$7.09 per foot\*.

Average cost differential-individual single phase underground service:

Average cost, individual single phase underground service = \$17.25 per foot Average cost, individual single phase overhead service = \$13.11 per foot

Average cost differential =

\$ 4.14 per foot\*

Executive Director

Customer to trench, furnish and install all conduit and fittings and back-fill trench per the Cooperative's specifications. The Cooperative in consideration of the Customer's contribution in-kind will complete the underground service installation at: No Charge\*. If the Customer desires underground residential service and is unable to perform the aforementioned, the Cooperative will contract to do this work for the Customer on an individual basis and will charge accordingly.

\*Note: The above underground construction costs do not include reaction endmission removal or other procedures which may be taken to assure proper burial depth value or other procedures with applicable codes, the actual additional cost shall apply.

SECTION 9 (1)

www.shelbyenergy.com

620 Old Finchville Road - Shelbyville, Kentucky 40005-1/14

Shelby Co. (502) 633-4420 • Trimble Co. (502) 255-3200 • Henry Co. (502) 845-2845

| August 12, 2008  |              |                                   |  |
|--|--------------|-----------------------------------|--|
|  | Unit Cost    | Ftg. or No.                       | Ext. Cost  |
| Single Phase Underground Primary (from Work Orders)  |              | 16,863                            | \$248,419.02   |
| On duit (Mariania))  | 1.77         | 16,863                            | 29,847.51  |
| Conduit (Material)   | 1.13         | 16,863                            | 19,055.19  |
| Conduit (Labor)  | 3.86         | 16,863                            | 65,091.18  |
| Trenching/Back-fill  | 38.00        | 168                               | 6,384.00   |
| Ells, fittings, misc material  | 552.50       |                                   | 36,465.00  |
| Average Xfmr differential  | 332.30       | 00                                | 30,403.00  |
| Totals   |              | 16,863                            | \$405,261.90   |
| Total Average Cost per Foot, Single Phase Underground Primary  |              |                                   | \$24.03  |
| Less Average Cost per Foot, Overhead Single Phase Primary  |              |                                   | 9.96   |
|  |              |                                   |  |
| Average Single Phase Underground Primary Differential Cost per Fo  | oot          |                                   | \$14.07  |
|  |              |                                   |  |
|  |              |                                   |  |
|  |              |                                   |  |
| Single Phase Underground Residential Service (from Work Orders)  |              | 24.737                            | 289.615.26   |
| Single Phase Underground Residential Service (from Work Orders)  |              | 24,737                            | 289,615.26   |
|  | 0.87         | •                                 | •  |
| Conduit (Material)   | 0.87<br>0.87 | 24,737                            | 21,521.19  |
|  |              | 24,737<br>24,737                  | 21,521.19<br>21,521.19   |
| Conduit (Material) Conduit (Labor)   | 0.87         | 24,737<br>24,737<br>24,737        | 21,521.19<br>21,521.19<br>86,579.50                                      |
| Conduit (Material) Conduit (Labor) Treanching/Back-fill  | 0.87<br>3.50 | 24,737<br>24,737<br>24,737        | 21,521.19<br>21,521.19<br>86,579.50<br>7,500.00                          |
| Conduit (Material) Conduit (Labor) Treanching/Back-fill Ells, fittings, misc. material  Totals   | 0.87<br>3.50 | 24,737<br>24,737<br>24,737<br>250 | 21,521.19<br>21,521.19<br>86,579.50<br>7,500.00<br>426,737.14            |
| Conduit (Material) Conduit (Labor) Treanching/Back-fill Ells, fittings, misc. material  Totals  Total Average Cost per Foot, Underground Residential Service | 0.87<br>3.50 | 24,737<br>24,737<br>24,737<br>250 | 21,521.19<br>21,521.19<br>86,579.50<br>7,500.00<br>426,737.14<br>\$17.25 |
| Conduit (Material) Conduit (Labor) Treanching/Back-fill Ells, fittings, misc. material  Totals   | 0.87<br>3.50 | 24,737<br>24,737<br>24,737<br>250 | 21,521.19<br>21,521.19<br>86,579.50<br>7,500.00<br>426,737.14            |

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

9/12/2008

PURSUANT TO 807 KAR 5:011

SECTION 9 (1)

**Executive Director** 

| Form for filing Rate Schedule   | FOR All Territory Ser | ved        |
|---------------------------------|-----------------------|------------|
| -                               | Community, Tov        | wn or City |
|                                 | P.S.C. No.            | 5          |
|                                 | 1st Revised Sheet No. | 46         |
| Shelby Energy Cooperative, Inc. | Canceling P.S.C. No.  | 5          |
| Shelbyville, KY                 | Original Sheet No.    | 46         |
|                                 | -                     |            |

Name of Issuing Corporation

| CLASSIFICATION OF SERVICE  |     |      |                  |
|--|-----|------|------------------|
| CABLE TELEVISION ATTACHMENT - RATE 5   |     |      | Rate<br>Per Unit |
| APPLICABILITY:   |     |      |                  |
| In all territory served by the company on poles owned and used by company fo | the |      |                  |
| <u>AVAILABILITY:</u>   |     |      |                  |
| To all qualified CATV operators having the right to receive service.         |     |      |                  |
| RENTAL CHARGE:   |     |      |                  |
| The yearly rental charges shall be as follows:                               |     |      |                  |
| Two-party pole attachment  | \$  | 5.42 | (I)              |
| Three-party pole attachment  | \$  | 4.63 | (I)              |
| Two-party anchor attachment  | \$  | 7.02 | (1)              |
| Three-party anchor attachment  | \$  | 4.63 | (1)              |
| Two-party grounding attachment   | \$  | 0.24 | ®                |
| Three-party grounding attachment   | \$  | 0.15 | ®                |
| Pedestal attachment + Same as respective pole charges.                       |     |      |                  |
|  |     |      |                  |
|  |     |      |                  |

| DATE OF ISSUE | December 31, 2009 | DATE EFFECTIVE; | February 1, 2010 |     |
|---------------|-------------------|-----------------|------------------|-----|
| ISSUED BY     |                   | TITLE:          | President & CEO  | ··· |
|               | Name of Officer   |                 |                  |     |

| Form for filing Rat  | e Schedules  | DUDI LO OFFILIADO DE LA VILLA | FOR  | All Territon                    |                     |
|--|--|---|--|---------------------------------|---------------------|
|  |  | PUBLIC SERVICE COMMISSION<br>OF KENTUCKY<br>EFFECTIVE   | P.S.C. No.   | Community                       | , Town or City<br>5 |
|  |  |   | Original   | SHEET NO.                       | 47                  |
| helby Energy Co  | -  | JUN 04 1997   |  |                                 | <u></u>             |
| Shelbyville, Kentu   |  | PURSUANT TO 807 KAR 5:011.  | CANCELLI   | NG P.S.C. NO.                   | 5                   |
| Nan  | ne of Issuing Corporation  | SECTION 9 (1)   |  | _SHEET NO.                      |                     |
|  |  | SECRETARY OF THE COMMISSION   |  |                                 |                     |
|  | CLA  | SSIFICATION OF SERVICE  |  |                                 |                     |
|  | CABLE '  | TELEVISION ATTACHMENT -   | RATE 5   |                                 | RATE<br>PER UNIT    |
| BILLING:   |  |   |  |                                 |                     |
| The rental c   | harges are net, the gross bei  | early based on the number of poleing ten percent (10%) higher. In tays from the date of the bill, the g   | he event the   | ;                               |                     |
| NOTE: Discount or penalty must apply to all electric customers, but shall apply to advance billing only if given at least thirty (30) days before the late penalty takes effect. |  |   |  |                                 |                     |
| SPECIFICA  | ATIONS:  |   |  |                                 |                     |
| revisions the  | nents of the National Electri  | covered by this tariff shall at all tical Safety Code, 1981 Edition, and ful requirements of public authority overn.  | d subseque   | nt                              |                     |
|  | ne transverse and vertical loa   | vered by this agreement shall be s<br>ad imposed upon them under the s<br>umed for the area in which they a   | storm loadir   | ng of                           |                     |
| ESTABLIS   | HING POLE USE:   |   |  |                                 |                     |
| and shall co<br>operator sha<br>pole line, to<br>the number<br>of the Coop   | e under this tariff, they shall<br>omply with the procedures e<br>all furnish the Cooperative of<br>gether with necessary maps<br>and character of the attachn<br>erative's fixtures and equip | tor shall make use of any of the polarity the Cooperative of their in stablished by the Cooperative. The detailed construction plans and draws, indicating specifically the poles ments to be placed on such poles, ament necessary for the attachment additional poles that CATV intervals.  | tent in writine CATV  awings for earthe Cooperand rearranger, any relocate | each perative, gements ation or |                     |
| DATE OF ISSUE:   | September 19, 1997   | EFFECTI   | VE DATE:   | June                            | e 4, 1997           |
| SUED BY:   | Tudes Botton. Name of Officer  | President & General Mana Title  | ger  | Shelbyvi<br>Address             | lle, KY 40065       |
|  | Issued by authority of an Or   | rder of the Public Service Commis   | sion of Kent   | ucky in                         |                     |

| Form for filing Ra  | ite Schedules  |   | FOR   | All Territor                              | y Served            |
|---|--|---|---|---|---------------------|
|   |  | PUBLIC SERVICE COMMISSION<br>OF KENTUCKY  | P.S.C. No.  | Community                                 | , Town or City<br>5 |
|   |  | EFFECTIVE   | Original  | SHEET NO.                                 | 48                  |
| nelby Energy Co<br>Shelbyville, Kent  | -  | JUN 04 1997   | CANCELLIN   | NG P.S.C. NO.                             | 5                   |
| Na  | me of Issuing Corporation  | PURSUANT TO 807 KAR 5:011.<br>SECTION 9 (1)   |   | SHEET NO.                                 |                     |
|   | CLA  | BY: SROWN BUU<br>SSIFICATION OF SERVICE   | -   |   |                     |
|   | CABLE  | TELEVISION ATTACHMENT -   | RATE 5  |   | RATE<br>PER UNIT    |
| ESTABLIS  | SHING POLE USE: (contin  | nued)   |   |   |                     |
| value of m<br>notice by C<br>Cooperativ<br>Upon comp<br>attachment<br>operator sh | submit to the CATV operator aterials) of all changes that recard operator to the Cooper shall proceed with the new pletion of all changes, the Cas in accordance with the terms. | on the basis of such detailed construct a cost estimate (including overhead may be required in each such pole literative that the cost estimate is appropriately consumer that the cost estimate is appropriately constructed and the cost estimate is appropriately constructed and the cost estimate in such manner as not constructed as a cost of the application of this tariface attachments in such manner as not constructed. | ad and less ine. Upon yoved, the red by cost hereunder to the cost. | salvage<br>written<br>estimate.<br>o make |                     |
| making suc<br>amounts sh<br>the actual o<br>operator in                           | te the actual cost (including on changes. The obligation of the cost of all such changes shall a form mutually agreed upon   |   | materials) ( all not be left) mized states of the CAT               | imited to<br>nent of<br>V                 |                     |
| C.<br>the establis<br>operator.   |  | ng rights-of-way and any tree trimr<br>ents hereunder shall be performed b  |   |   |                     |
|   | y of the Cooperative, and and under this tariff shall not en   | hments have been made under this by payments made by the CATV opentitle the CATV operator to the own  | erator for c  | hanges                                    |                     |
| DATE OF ISSUE:  | September 19, 1997   | EFFECTIV  | E DATE:   | June                                      | e 4, 1997           |
| SUED BY:  | Dudle Botton   | President & General Manag   |   |   | le, KY 40065        |
|   | Issued by authority of an O  | rder of the Public Service Commissi<br>Date   |   | ucky in                                   |                     |

| Form for filing Rat   | e Schedules   |   | FOR  | All Territor                                   | Served           |
|---|---|---|--|--|------------------|
|   |   |   |  | Community                                      | , Town or City   |
|   |   | PUBLIC SERVICE COMMISSION   | P.S.C. No.   |  | 5                |
|   |   | OF KENTUCKY<br>EFFECTIVE  | Original   | SHEET NO.                                      | 49               |
| nelby Energy Co   | operative, Inc.   |   |  |  |                  |
| Shelbyville, Kentu  | cky   | JUN 04 1997   | CANCELLIN  | NG P.S.C. NO.                                  | 5                |
| Nan   | ne of issuing Corporation   |   |  | _SHEET NO.                                     |                  |
|   |   | PURSUANT TO 807 KAR 5:011,  |  |  |                  |
|   | CLASS   | IFIEATION OF SERVICE  |  |  | ·                |
|   | CABLE TE  | LEVISION ATTACHMENT -   | RATE 5   |  | RATE<br>PER UNIT |
|   | HING POLE USE: (continued   |   |  | 1  |                  |
|   | perator, where notice of inten  | correction of substandard install<br>at had not been requested, shall<br>been imposed if the attachmen  | be billed  | at rate  |                  |
| EASEMEN   | TS AND RIGHTS-OF-WAY:   |   |  |  |                  |
| prevented fr<br>liability on  | y privileges or easements, and om placing or maintaining its  | varrant nor assure to the CATV if the CATV operator shall at a attachments on the Cooperative he Cooperative. Each party shall-of-way.  | nny time be  | )  |                  |
| MAINTEN   | ANCE OF POLES, ATTACHN  | MENTS AND OPERATION:  |  |  |                  |
|   | poles necessary, such relocation  | siderations or public regulation on shall be made by the Cooper he cost of transferring its own a   | ative at its   | own  |                  |
| in cases of e<br>proposed re<br>transfer its a<br>transfer its a<br>attachments | e making such replacement or remergency) to the CATV operare placement or relocation, and the attachments to the new or relocation that the new or relocation in the new or relocation. | replace or relocate an attachmer elocation, give forty-eight (48) ator, specifying in said notice the CATV operator shall, at the tated pole. Should the CATV operated pole at the time specified for do such work and the CATV operator. | hours notice time of su ime so specified perator fail for such train | ce (except<br>uch<br>cified,<br>to<br>nsfer of |                  |
| DATE OF ISSUE:  | September 19, 1997  | EFFECTIV  | E DATE:  | June   | 4, 1997          |
| SUED BY:  | Dugle Betton is   | h. President & General Manag  | er   | Shelbyvil                                      | le, KY 40065     |
| •   | Name of Officer   | Title   |  | Address  |                  |

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

Case No.

Dated

| Form for filing Ra | te Schedules  | PUBLIC SERVICE COMMISSION FOR All Ter  |                | All Territor  | itory Served        |  |
|--------------------|---|--|----------------|---------------|---------------------|--|
|                    |   | OF KENTUCKY<br>EFFECTIVE   | P.S.C. No.     | Community     | , Town or City<br>5 |  |
|                    |   |  | Original       | SHEET NO.     | 50                  |  |
| nelby Energy Co    | operative, Inc.                                       | JUN 04 1997  |                |               | ,                   |  |
| Shelbyville, Kentu | ıcky  | PURSUANT TO 807 KAR 5:011.   | CANCELLI       | NG P.S.C. NO. | 5                   |  |
| Nai                | me of Issuing Corporation                             | SECTION 9 (1)  |                | SHEET NO.     |                     |  |
|                    |   | BY: Stephand BUU PRORETARY OF THE CONMISSION                                   |                |               |                     |  |
|                    | CLA   | ASSIFICATION OF SERVICE  |                | ·             |                     |  |
|                    | CABLE   | TELEVISION ATTACHMENT -  | RATE 5         |               | RATE<br>PER UNIT    |  |
| MAINTEN            | ANCE OF POLES, ATTAC                                  | CHMENTS AND OPERATION: (   | continued)     |               |                     |  |
| C.                 |   | t of CATV which does not conform   |                |               |                     |  |
| cations as s       | et out in this tariff hereof sh                       | all be brought into conformity ther  | ewith as so    | on as         |                     |  |
| practical. I       | he Cooperative, because of new installation of the CA | The importance of its service, reser<br>TV operator on its poles and int he    | ves the rigi   | its           |                     |  |
| lines or app       | urtenances. Such inspection                           | n, made or not, shall not operate to   | relieve the    |               |                     |  |
| CATV oper          | rator of any responsibility, o                        | bbligation of liability assumed unde   | r the tariff.  |               |                     |  |
| D.                 | The Cooperative reserve                               | es to itself, its successor and assign   | s, the right   | to            |                     |  |
| maintain its       | poles and to operate its fac                          | ilities thereon in such manner as w  | ill, in its ov | vn            |                     |  |
| judgment, t        | est enable it to fulfill its ow                       | vn service requirements. The Coop  | erative sha    | ll not        |                     |  |
| be liable to       | the CATV operator for any                             | interruption of service of CATV o ables, wires and appliances of the O         | perator or i   | or            |                     |  |
|                    |   | the Cooperative's poles hereunder  |                | ator          |                     |  |
|                    | The Cooperative shall e                               | xercise reasonable care to avoid da  | maging the     | :             |                     |  |
| · ·                | <b>A</b> -  | an immediate report to the CATV  | _              |               |                     |  |
|                    |   | used by its employees, agents or con<br>ent or for failure to post or maintain |                | ad.           |                     |  |
| "Performan         | ce Bond", agrees to reimbu                            | arse the CATV operator for all reason  | onable cost    | Ju            |                     |  |
| incurred by        | the CATV operator for the                             | physical repair of facilities damage   |                |               |                     |  |
| negligence         | of the Cooperative.                                   |  |                |               |                     |  |
| INSPECTION         | ONS:  |  |                |               |                     |  |
| A.                 |   | any unauthorized or unreported atta  |                |               |                     |  |
| operator wi        | ll be billed at a rate of two                         | times the amount equal to the rate t   | hat would      | have          |                     |  |
| been due, h        | ad the installation been mad                          | de the day after the last previously   | requirea in    | spection.     |                     |  |
|                    |   |  |                |               |                     |  |
| DATE OF ISSUE:     | September 19, 1997                                    | EFFECTIV   | E DATE:        | Jun           | e 4, 1997           |  |
| SUED BY:           | Dudley Button   | President & General Manag  | er             | Shelbyvi      | lie, KY 40065       |  |
|                    | Name of Officer                                       | Title  |                | Address       | 3                   |  |
|                    | •   | rder of the Public Service Commiss   | 4              | ucky in       |                     |  |
|                    | Case No.  | Date   | d              |               |                     |  |

| Form for filing Rate  | Schedules  | DUDI IA OFDI   | HOT OOMMOOION   | FOR  | All Territor                                 |                      |
|---|--|--|---|--|--|----------------------|
|   |  | OF K   | /ICE COMMISSION<br>ENTUCKY<br>FECTIVE   | P.S.C. No.   | Community                                    | y, Town or City<br>5 |
| colby Engray Coo  | porativo Inc   | .1111  | 0 4 1997  | Original   | SHEET NO.                                    | 51                   |
| elby Energy Coo<br>Shelbyville, Kentucl   |  |  |   | CANCELLI   | NG P.S.C. NO.                                | 5                    |
| Name  | of Issuing Corporation   | SEC  | TO 807 KAR 5:011,<br>CTION 9 (1)  |  | _SHEET NO.                                   |                      |
|   | CLA  | BY: Skelo<br>SECRETARY<br>SECRETARY<br>SECRETARY   | OF THE COMMISSION   |  |  |                      |
|   | CABLE  | TELEVISION A   | TTACHMENT -   | RATE 5   |  | RATE<br>PER UNIT     |
| INSPECTIO   | NS: (continued)  |  |   |  |  |                      |
|   | Make-Ready Inspection quired of the Cooperative rative's actual expenses, p  | will be paid for b   | y the CATV ope  |  | _  |                      |
| INSURANC  | E OR BOND:   |  |   |  |  |                      |
| forfeiture of defending ag of (a) injuried (c) pollution (d) violations Cooperative parties, resultis employees Cooperative, Cooperative. | The CATV operator agrifrom any and all damage, every kind and nature, incainst the same and payme ies or deaths to persons, as, contaminations of or contaminations or contaminations of or contaminations or contaminations or contaminations of or contaminations of or contaminations or contami | loss, claim, demailuding, but not lint of any settleme (b) damages to of other adverse effections or orders on of claims, described from acts of the contatives or from the create with any set liable for sole acts | and, suit, liability mited to, costs an ent or judgment to destruction of pects on the environments whether suffer emands or suits are omissions of the heir presence on alleged joint negotive negligence. | , penalty or ad expenses herefor, by a properties, conment or ed directly by against it by a CATV operation of the premises digence of the control of the premises digence of the control of the control of the premises digence of the control of the | of reason  by the third erator, s of the the |                      |
| B.<br>do business i   | The CATV operator win the Commonwealth of F  | •  | ge from a compai  | iy authorize   | a to   |                      |
| 1.  | Protection for its emplo<br>Compensation Law of I  | •  | t required by Wo  | rkmen's  |  |                      |
| 2.  | Public liability coverage which the CATV operations  |  |   |  |  |                      |
| DATE OF ISSUE:  | September 19, 1997   | <u> </u>   | EFFECTI   | VE DATE:   | Jur  | ne 4, 1997           |
| SUED BY:  | Dudly Botton   | <del>-,</del>  | t & General Mana  | ger  |  | ville, KY 40065      |
|   | Name of Officer  | TI   | le  |  | Addres                                       | is                   |

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

Case No.

| Form for filing Ra                                      | te Schedules   | PUBLIC SERVICE COMMISSION   | FOR                                   | All Territor                          |                     |
|---|--|---|---------------------------------------|---------------------------------------|---------------------|
|   |  | OF KENTUCKY<br>EFFECTIVE  | P.S.C. No.                            | Community                             | , Town or City<br>5 |
| ielby Energy Co   | operative, Inc.  | JUN 04 1997   | Original                              | SHEET NO.                             | 52                  |
| Shelbyville, Kentu                                      | •  | PURSUANT TO 807 KAR 5011.   | CANCELLING P.S.C. NO.                 |                                       | 5                   |
| Na  | me of Issuing Corporation  | SECTION 9 (1)  RY Stechan BU  | SHEET NO.                             |                                       |                     |
|   | CLAS   | SECRETARY OF THE COMMISSION SSIFICATION OF SERVICE  |                                       |                                       |                     |
|   | CABLE T  | TELEVISION ATTACHMENT - 1   | RATE 5                                |                                       | RATE<br>PER UNIT    |
| INSURAN   | CE OR BOND: (continued)  |   |                                       |                                       |                     |
|   | accident or personal injur   | or each person and \$300,000.00 for y or death, and \$25,000.00 as to the 100,000.00 as to any one accident   | he property                           |                                       |                     |
| furnished to  | the Cooperative a certificate  | ler this tariff, the CATV operator s<br>e for such coverage, evidencing th<br>ler shall contain a contractual endo  | e existence                           | of such                               |                     |
| Coo<br>the<br>may                                       | perative, Inc., so as to guarantinsured of any indemnity agr                                   | I herein shall also be for the benefintee, within the coverage limits, the eement set forth in this tariff. This without thirty (30) days advance operative, Inc."              | e performa<br>s insurance             | ance by<br>e or bond                  |                     |
| CHANGE  | OF USE PROVISION:  |   |                                       |                                       |                     |
| reasons uni<br>hours notic<br>unable or u<br>may do the | related to the CATV operation<br>e of the proposed change (ex-<br>nwilling to meet the Coopera | ntly requires a change in its poles ns, the CATV operator shall be gipect in case of emergency). If the ative's time schedule for such char operator its reasonable cost for pe | ven forty-e<br>CATV op<br>nges, the C | eight (48)<br>erator is<br>ooperative |                     |
|   |  |   |                                       |                                       |                     |
| DATE OF ISSUE:  | September 19, 1997   | EFFECTIV  | E DATE:                               | Jun                                   | e 4, 1997           |
| SUED BY:  | Name of Officer  | President & General Manag   | <u>er</u>                             | Shelbyvi<br>Address                   | lle, KY 40065       |
|   | Issued by authority of an Ord  | der of the Public Service Commissi<br>Date  |                                       | ucky in                               |                     |

| Form for filing Rate  | Schedules  |   |   |  | itory Served        |  |
|---|--|---|---|--|---------------------|--|
|   |  | PUBLIC SERVICE COMMISSION<br>OF KENTUCKY<br>EFFECTIVE   | P.S.C. No.  | Community  | , Town or City<br>5 |  |
|   |  |   | Original  | SHEET NO.  | 53                  |  |
| shelbyville, Kentuc   |  | JUN 04 1997   | CANCELLI  | NG P.S.C. NO.  | 5                   |  |
| Nam   | e of Issuing Corporation   | PURSUANT TO 807 KAR 5:011,<br>SECTION 9 (1)   |   | SHEET NO.  |                     |  |
|   | CLAS   | BY: STOWN BUT SERVICE   |   |  |                     |  |
|   | CABLE T  | TELEVISION ATTACHMENT -   | RATE 5  |  | RATE<br>PER UNIT    |  |
| least thirty (1 expiration of CATV operative thereupon be harmless the incurred their Cooperative to the CATV  B. by giving duand all attack Cooperative  RIGHTS OF  Upon or poles is for permit governoperator sharmless the incurred their cooperator sharmless the incurred their cooperative to the CATV  B. by giving duand all attack Cooperative | If the Cooperative desires attachments, it shall give the 30) days prior to the date on a said period, the Cooperative tor shall not have removed become the property of the Cooperative from all obligate after; and shall pay the Cooperative from all pay the Cooperator of title to the pole. The CATV operator may be notice thereof in writing to the full rental for said pole of the full rental for said pole of the cooperative or bidden by municipal or other ming the use of such pole or all remove its facilities from the cooperative or said pole of the cooperative or said pole or or sa | s at any time to abandon any pole e CATV operator notice in writing which it intends to abandon such we shall have no attachments on sure all of its attachments therefrom, station, liability, damages, cost, exproperative for such pole an amount. The Cooperative shall further evide by means of a bill of sale.  at any time abandon the use of the cooperative and by removing the CATV operator shall in such for the then current billing period. We to the CATV operator that the uner public authorities or by proper poles shall immediately terminate the affected pole or poles at once, removal resulting from such forb | g to that eft pole. If, a ch pole, but uch pole should be rator shall enses or character and the character attached g therefrom h case pay the case of any pay owners, e and the Conorefund | fect at t the t the hall save harges he fer  pole n any to the  CATV |                     |  |
| DATE OF ISSUE:  | September 19, 1997   | EFFECTIV  | E DATE:   | June   | 4, 1997             |  |
| SUED BY:  | Dudle Billon, J<br>Name of Officer   | President & General Manag   | er  |  | le, KY 40065        |  |
|   | ssued by authority of an Ord   | ler of the Public Service Commissi<br>Date  |   | ucky in  |                     |  |

| Form for filing Ra  | te Schedules  | PUBLIC SERVICE COMMISSION<br>OF KENTUCKY  | FOR<br>P.S.C. No.  | All Territor<br>Community | ry Served<br>y, Town or City<br>5 |  |
|---|---|---|--|---------------------------|-----------------------------------|--|
| elby Energy Co،   | operative. Inc.   | JUN 04 1997   | Original   | SHEET NO.                 | 54                                |  |
| Shelbyville, Kentu  | -   | 0011 0 4 1331   | CANCELLI   | NG P.S.C. NO.             | 5                                 |  |
|   | me of Issuing Corporation   | PURSUANT TO 807 KAR 5:011,<br>SECTION 9 (1)   | 20.000   | SHEET NO.                 |                                   |  |
|   | CLA!  | SSIFICATION OF SERVICE  | _  |                           |                                   |  |
|   | CABLE   | TELEVISION ATTACHMENT   | - RATE 5   |                           | RATE<br>PER UNIT                  |  |
| PAYMENT   | OF TAXES:   |   |  |                           |                                   |  |
| upon said a property she Cooperative the CATV of BOND OR  A. To insurance of thousand do twenty-five shall be incompared (10 of which she construction terminated the desire of Upon receip immediately Cooperative | ttached poles, and the taxes all be paid by the owner there's poles solely because of the operator.  DEPOSITOR PERFORMA  The CATV operator shall fur overage for the purposes here ollars (\$25,000.00), until such hundred (2,500) poles of the reased to increments of One (20) poles (or fraction thereoficiall be presented to the Cooperator to six (6) months after if the Bonding or Insurance of the total prior to six (6) months after if the Bonding or Insurance (but of such notice, the Cooperator should be to the CATV operator should be presented to the cooperator | rnish bond or satisfactory evidence reinafter specified in the amount of the character shall be cooperative and thereafter the act thousand dollars (\$1,000.00), for a coupied by the CATV operator perative fifteen (15) days prior to be shall contain the provision that it is receipt by the Cooperative of write Company to terminate such bond arative shall request the CATV operator and all other facilities from all polould fail to complete the removal  | vied on said vied on the nall be paid be paid be paid be paid be contract of Twenty-finall occupy amount there is each one or, evidence beginning shall not be itten notice or insurance erator to les of the of all its | rual<br>ve<br>of          |                                   |  |
| request fror  | n the Cooperative, then the (   | tive within thirty (30) days after re Cooperative shall have the right to perator and without being liable for the control of | to remove the  | em                        |                                   |  |
| DATE OF ISSUE: SUED BY:   | September 19, 1997  Durller Bottom  Name of Officer   | President & General Mana  | VE DATE:   |                           | e 4, 1997<br>lle, KY 40065        |  |

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. \_\_\_\_\_\_ Dated \_\_\_\_\_

| Form for filing Rate Schedules  | FOR All Te  |                       |                  |  |
|---|---|-----------------------|------------------|--|
|   | D D O No  | Community,            | Town or City     |  |
|   | P.S.C. No.  |                       | 5                |  |
| ielby Energy Cooperative, Inc.  | Original  | SHEET NO              | 55               |  |
| Shelbyville, Kentucky   | CANCELLIN   | IG P.S.C. NO          | 5                |  |
| Name of Issuing Corporation   |   | SHEET NO.             |                  |  |
| CLASSIFICATION OF SERV  | ICE   |                       |                  |  |
| CABLE TELEVISION ATTACHM  | ENT - RATE 5  |                       | RATE<br>PER UNIT |  |
| BOND OR DEPOSITOR PERFORMANCE: (continued)  |   |                       |                  |  |
| to the CATV operator's wires, cables, fixtures, or appurtenances. Sinsurance shall guarantee the payment of any sums which may been cooperative for rentals, inspections or work performed for the bene operator under this tariff, including the removal of attachments uposervice by any of its provisions. | ome due to the<br>efit of the CATV                                  |                       |                  |  |
| B. After the CATV operator has been a customer of the and not in default for a period of two years, the Cooperative shall reby 50%, or, at the Cooperative's option, require a deposit in keepin 807 KAR 5:006, Section 7.  | educe the bond  |                       |                  |  |
| USE OF ANCHORS:   |   |                       |                  |  |
| The Cooperative reserves the right to prohibit the use of any<br>by CATV operator where the strength or conditions of said anchors<br>readily identified by visual inspection.  |   |                       |                  |  |
| DISCONTINUANCE OF SERVICE:  |   |                       |                  |  |
| The Cooperative may refuse or discontinue serving an applunder the conditions set out in 807 KAR 5:006, Section 11.   | icant or customer<br>JBLIC SERVICE COMM<br>OF KENTUCKY<br>EFFECTIVE | SSION                 |                  |  |
|   | JUN 04 1997   | 7                     |                  |  |
| BY  | URSUANT TO 807 KAR<br>SECTION 9 (1)<br>Steptand Bu                  | u                     |                  |  |
|   | SECRETARY OF THE COMMI<br>FECTIVE DATE:                             |                       | 4, 1997          |  |
| SUED BY: Dutter Button President & General Name of Officer Title  | Manager   | Shelbyvill<br>Address | e, KY 40065      |  |
| Issued by authority of an Order of the Public Service Co<br>Case No.  | ommission of Kenti<br>Dated   | ucky in               |                  |  |

| Form for filing Rate          | Schedules   |  | FOR            | All Territon  | y Served         |
|-------------------------------|---|--|----------------|---------------|------------------|
|                               |   |  |                | Community     | , Town or City   |
|                               |   |  | P.S.C. No.     |               | 5                |
|                               |   |  | Original       | SHEET NO.     | 56               |
| nelby Energy Coo              |   |  |                |               | •                |
| Shelbyville, Kentuc           | ky  |  | CANCELLIN      | NG P.S.C. NO. | 5                |
| Name                          | of Issuing Corporation  |  |                | SHEET NO.     |                  |
|                               | CLASSIFICA  | ATION OF SERVICE   |                |               |                  |
|                               | VOLUNTARY INTI  | ERRUPTIBLE SERVICE -   | RATE 23        |               | RATE<br>PER UNIT |
| STANDARD                      | RIDER   |  |                |               |                  |
| This Volunta<br>B3, C1, C2, a | ry Interruptible Service is a rider to<br>and C3.   | Rate Schedule(s) 2, 4, 22,                                   | B1, B2,        |               |                  |
| APPLICABL                     | Æ   |  |                |               |                  |
| In all service                | territory served by the Cooperative   | 2.   |                |               |                  |
| •                             | ble demand which is already under<br>ble for this service.  | contract under any other In                                  | terruptibl     | е             |                  |
| AVAILABII                     | ITY OF SERVICE  |  |                |               |                  |
| where an ulti                 | e shall be made available at any loa<br>mate "Customer" is capable of inte<br>has contracted with the Cooperative | errupting at least 1,000 kW                                  | upon           |               |                  |
| CONDITION                     | NS OF SERVICE   |  |                |               |                  |
| 1.                            | Any request for interruption und Cooperative.   | er this Rider shall be made                                  | by the         |               |                  |
| 2.                            | Each interruption will be strictly  | •  | uu. Din Al     | g virtua      |                  |
| 3.                            | No responsibility of any kind sha<br>account of, any loss or damage c<br>interruption or curtailment of thi       | all attach to the Cooperative<br>aused by, or resulting from | for, or of any |               |                  |
|                               |   | Pi   | MEJANT M       | ) 207 KAR 50  | 1                |
| DATE OF ISSUE:                | October 13, 2000  | EFFECTIVE  |                | 1.17          | ber 13, 2000     |
|                               | 5-10-1  |  | 2              | 115 6 33 1 2  | ·                |

| DATE OF ISSUE: | October 13, 2000                   | EFFECTIVE D                      | ATE: November 13, 2000 |
|----------------|------------------------------------|----------------------------------|------------------------|
| SSUED BY:      | Durlle Better.                     | President & CEO                  | Shelbyville, KY 40065  |
|                | Name of Officer                    | Title                            | Address                |
|                | Issued by authority of an Order of | of the Public Service Commission | of Kentucky in         |
|                | Case No.                           | Dated                            |                        |

| Form for filing Rate Schedules |  |   | FOR  | All Territory Served                              |                     |
|--------------------------------|--|---|--|---|---------------------|
|                                |  |   | P.S.C. No.   | Community   | , Town or City<br>5 |
|                                |  |   | Original   | SHEET NO.   | 57                  |
| anelby Energy Co               | operative, Inc.  |   | Oliginal   | _Sheet No   | 01                  |
| Shelbyville, Kentucky          |  | CANCELLIN   | NG P.S.C. NO.  | 5   |                     |
| Nan                            | ne of Issuing Corporation  |   |  | SHEET NO.   |                     |
|                                | CLASSIF  | FICATION OF SERVICE   |  |   |                     |
|                                | VOLUNTARY II   | NTERRUPTIBLE SERVICI  | E - RATE 23  |   | RATE<br>PER UNIT    |
| 4.                             | The Customer shall agree by<br>all necessary equipment for re-<br>telemetering and communicat<br>premises, required for interru-   | eceiving electric energy and<br>tions equipment, within the (   | all  |   |                     |
| 5.                             | It is the Cooperative's responsan interruption request. There shall mutually agree upon the notify the Customer of a requestable include the means by where the interruption request (e.g. of point of contact to receive such as the cooperative such | efore, the Cooperative and the manner by which the Cooperative for interruption. Such a hich the Cooperative shall commail, phone, pager, etc.) and | ne Customer<br>erative shall<br>in agreement<br>ommunicate |   |                     |
| 6.                             | The Cooperative will attempt<br>possible for requests for inter<br>acceptance of the Terms of In<br>interrupted with as little as or   | ruption. However, upon the aterruption the Customer's lo  | Customer's bad shall be                                    |   |                     |
| 7.                             | The Cooperative reserves the ability to interrupt its load.  | right to require verification   | of a Custome   | er's  |                     |
| 8.                             | The Customer is not eligible when the Customer's interrup the period of the requested in any event outside of the Cust as planned or unplanned outarefurbishment, renovation, str  | otible load is down for other<br>terruption. Such down time<br>omer's normal operating circ<br>ges due to renovation, repair                        | reasons during would include cumstances s                  | ng<br>de<br>uch<br>Toron de 2000<br>Taron<br>Hall |                     |
| DATE OF ISSUE:                 | October 13, 2000   | FEFE  | VE DATE:   | Novemi  | per 13, 2000        |
| SSUED BY:                      | P-10 2 4 ()  | President & CEO   | T the Br 6"   2 East                                       |   | le, KY 40065        |
| יום עםטפט .                    | Name of Officer  | Title   |  | Address   |                     |

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

Case No.

Dated \_\_\_\_\_

| Form for filing Rate Schedules  |  |   | FOR   |                            | All Territory Served      |  |
|---|--|---|---|----------------------------|---------------------------|--|
|   |  |   | P.S.C. No.                                  | Community                  | y, Town or City 5         |  |
|   |  |   | Original                                    | SHEET NO.                  | 58                        |  |
| elby Energy Cooperative, Inc.<br>Shelbyville, Kentucky                                |  |   | CANCELLI                                    | NG P.S.C. NO.              | 5                         |  |
| Name of Issuing Corpo   | oration  |   |   | SHEET NO.                  |                           |  |
|   | CLASSIF  | FICATION OF SERVICE   |   |                            |                           |  |
|   | VOLUNTARY II   | NTERRUPTIBLE SERVICE  | E - RATE 23                                 |                            | RATE<br>PER UNIT          |  |
| INTERRUPTIBLE CUSTO   | OMER DATA RE   | EPORT   |   |                            |                           |  |
| The Customer shall furnish Such a report shall include                                |  | ve an Interruptible Customer<br>as:   | Data Repor                                  | t.                         |                           |  |
|   | um number of hou<br>as the ability to in                       | urs per day and the time of danterrupt.   | ny that the                                 |                            |                           |  |
|   |  | vs and the maximum number<br>the ability to interrupt.  | of consecut                                 | ive                        |                           |  |
|   | um interruptible d<br>the Customer upo                         | lemand and the minimum intended in request.   | erruptible                                  | <b>ેં</b> ઇઇદે એ .<br>કેં, | aV<br>Nogera              |  |
| 4. The minimu   | ım price at which  | each Customer is willing to   | interrupt.                                  |                            |                           |  |
| DEMAND AND ENERGY   |  |   |   | NO<br>Puashay              | / 13 2000<br>TC 807 NATIO |  |
| comply to the extent possil<br>Cooperative is the sole jud                            | ble with the Coop<br>ge of the need for<br>nt of interruptible | an agreed time after receivirgerative's request to interrupt interruption of load. The Condemnand provided by the Current                       | load. The ooperative is                     | ed (                       |                           |  |
| immediately preceding the<br>the existing demand level.<br>the difference between the | call for interrupti<br>The hourly interrexisting demand        | demand for the two hours prion will be used as the basis fruptible demands for each culevel and the actual demand terrupted energy of each inte | for establish<br>stomer will<br>measured du | ing<br>be<br>ıring         |                           |  |
| ATE OF ISSUE: Octobe  | er 13, 2000  | EFFECTI   | VE DATE:                                    | Noven                      | nber 13, 2000             |  |
| SSUED BY:  Name of Off  | Better J.  | President & CEO   | ***************************************     | Shelbyv<br>Addres          | rille, KY 40065<br>ss     |  |
|   |  | of the Public Service Commis<br>Dat   |   | ucky in                    |                           |  |

| Form for filing Rate   | Schedules  |  | FOR  | All Territor             |   |
|--|--|--|--|--------------------------|---|
|  |  |  | P.S.C. No.   | Community                | , Town or City 5  |
|  |  |  | Original   | SHEET NO.                | 59  |
| 3helby Energy Coo<br>Shelbyville, Kentuc   | •  |  | CANCELLI   | NG P.S.C. NO.            | 5   |
| Nami   | e of Issuing Corporation   |  |  | SHEET NO.                |   |
|  | CLASSIF  | ICATION OF SERVICE   |  |                          |   |
|  | VOLUNTARY II   | NTERRUPTIBLE SERVIC  | CE - RATE 2  | 3                        | RATE<br>PER UNIT  |
|  | um of the hourly interrupted de<br>o more than six hours.  | mands. These type of inter   | ruptions will  | cover                    |   |
| for the same to the day of The average fifteen minut equal the am will equal the | ions longer than six hours in duration hours as the interruption hours in notice will used as the basis for hourly usage for these business the demand intervals, minus the amount of interruptible load. The samount of interruptible load. The the the sum of the hourly interruptible the sum of the hourly interruptible that is the sum of the hourly interruptible that the sum of the hourly interruptible that is the sum of the hourly interruptible that the sum of the hourly interruptible t | in the two preceding busined determining the demand less days, based on the average actual load during the interrupted energy of each of the interrupted energy of the inter | ess days prior<br>evel for interr<br>e integrated<br>uption period<br>interruption p | uption.<br>will<br>eriod |   |
| TERMS OF   | INTERRUPTION   |  |  |                          |   |
| interrupted.<br>in accordance  | erruption request, the Cooperative The Cooperative shall inform the with the agreed upon method the following:   | ne Customer of an interrupt  | ion request  | on                       |   |
| 1.   | The time at which each interr<br>the Cooperative. At least one<br>request for interruption shall   | (1) hour of advance notice   | e of each  |                          | San Carlos San Carlos (Carlos Carlos Car<br>Carlos Carlos Car |
| 2.   | The duration in clock hours of established by the Cooperative  |  | s to be  | NOV                      | 13 2000   |
| 3.   | The price and the potential sa<br>by the Cooperative on a case<br>percentage of the market price   | by case basis and will be b  | ased on a  | ₽₽78₽₽₽ T<br>ι           | ) #10 Ma9 5011<br>  |
| DATE OF ISSUE:   | October 13, 2000   | EFFEC  | TIVE DATE:   | Novem                    | ber 13, 2000  |
| SSUED BY:  | Dudly Bother J.  | President & CEO  |  |                          | lle, KY 40065   |
| !  | Name of Officer  ssued by authority of an Order of   | Title<br>of the Public Service Comm  | ission of Ken  | Addres<br>tucky in       | <b>.</b>  |

| Form for filing Rate Schedule   | FOR         | All Territory Served    |
|---------------------------------|-------------|-------------------------|
|                                 |             | Community, Town or City |
| •                               | P.S.C. N0.  | 5                       |
|                                 | 3rd Revised | Sheet No. 60            |
| Shelby Energy Cooperative, Inc. | P.S.C. NO.  | 5                       |
| Shelbyville, Kentucky           | 2nd Revised | Sheet No. 60            |
| Name of Issuing Corporation     |             |                         |

| CLASSIFICATION OF SERVICE   |                  |
|---|------------------|
| SPECIAL OUTDOOR LIGHTING SERVICE - RATE 33  | Rate<br>Per Unit |
| AVAILABILITY:   |                  |
| 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.   |                  |
| TYPE OF SERVICE:  |                  |
| 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.  |                  |
| RATES:  The monthly charge will be the sum of items (1) and (2) below.  1. The Energy Rate for each type of lamp shall be \$ 0.06440 per kWh as determined by the following formula:  | (1)              |
| Monthly Rated kWh = (4100 hours per year X Manufacturer's total input rating in watts) divided by (12X1000).  |                  |
| 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   |                  |
| FUEL ADJUSTMENT CLAUSE:   |                  |
| This rate may be increased or decreased by an amount per kWh equal to the fuel adjusmtment 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. |                  |

| and is based on a twe | elve-month moving average of such<br>plicable provisions as set out in K | n losses. | The Fuel Clau |                                       |               |   |
|-----------------------|--|-----------|---------------|---------------------------------------|---------------|---|
| DATE OF ISSUE:        | July 21, 2009  | DATE E    | FFECTIVE:     | August 1                              | , 2009        |   |
| ISSUED BY:            | Name of Officer  | tini.     | PHREC         | SERVICE CO<br>OF KENTUCI<br>EFFECTIVE | MMISSION<br>Y | 1 |
| issued by             | authority of an Order of the Public                                      | Service ( | ommission     | f Kentucky 17,2009<br>SUANT TO 807 K. | AR 5:011      |   |
| Case No.              | 2008-00536   | _         | Dated         | SECTION &                             | )2009         |   |
|                       |  |           | ву            | Executive Direct                      | tor           |   |

Form for filing Rate Schedule

FOR

All Territory Served

Community, Town or City

P.S.C. No.

Original

Sheet No.

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

# CLASSIFICATION OF SERVICE Rate **RENEWABLE RESOURCE ENERGY - RATE 24** Per Unit STANDARD RIDER This Renewable Resource Energy is a rider to all current rate schedules. The purpose of this rider is to provide consumers with renewable resource energy that is considered to be environmentally friendly. This type of power is also know as "green power". APPLICABLE To the entire territory served by Shelby Energy Cooperative. **AVAILABLE** This schedule is available to any consumer on any other rate schedule offered by Shelby Energy Cooperative in the following block amounts: 100 kWh Block (minimum size) or greater The consumer will contract with the Cooperative to purchase these blocks of energy under this rider. **RATES** The monthly rate for this service will be renewable resource energy premium able resource energy premium is provided below: PUBLIC SERVICE OF KENTUCKY OF KENTUCKY This renewable resource energy premium is provided below: EFFECTIVE \$0.0275 per kWh or \$2.75 per 100 kWh block JUL 0 1 2003 This rate is in addition to the regular retail rates for power. PURSUANT TO 807 KAR 5:01 SECTION 9 (1) DATE OF ISSUE: 30-May-03 DATE EFFEC ISSUED BY:

President & CEO

Name of Officer

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

Case No.

Dated

Form for filing Rate Schedule

FOR

All Territory Served
Community, Town or City

P.S.C. NO.

5 61

Sheet No. Original

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

| CLASSIFICATION OF SERVICE  |                  |
|--|------------------|
| RENEWABLE RESOURCE ENERGY - RATE 24  | Rate<br>Per Unit |
| AGREEMENT  |                  |
| An "Agreement for the Purchase of Renewable Resource Energy" shall be executed by the consumer prior to service under this schedule.   |                  |
| BILLING AND MINIMUM CHARGES  |                  |
| Blocks of power contracted for under this tariff shall constitute the minimum amount of energy that the customer will be billed during a normal billing period. The consumer shall be billed at the normal rate for all energy purchased in excess of the contracted renewable resource energy amount. For billing periods shorter than the normal billing cycle or when actual energy usage is less than the contracted amount for renewable resource energy, the consumer shall pay for the full block of renewable energy at the established premium price. |                  |
| TERMS OF SERVICE AND PAYMENT   |                  |
| This rider shall be subject to all other terms and conditions of service and payment of the regular tariffs applicable to the consumer.  |                  |
| CONDITIONS OF SERVICE  |                  |
| The rates granted under this rider shall require the execution of a one (1) year contract between the consumer and the Cooperative.  PUBLIC SERVICE COMMISS OF KENTUCKY EFFECTIVE  | ЮИ               |
| JUL 0 1 2003   |                  |
| PURSUANT TO 807 KAR 5 SECTION 9 (1)  | 011              |
| DATE OF ISSUE: 30-May-03  ISSUED BY:  Name of Officer  DATE EFFECTIVE CUTIVE VINGE OF 18   | CEO              |
| Issued by authority of an Order of the Public Service Commission of Kentucky in Case No.   |                  |

|   | FOR ENTIRE TERRITORY SERVED Community, Town or City |           |    |  |  |
|---|---|-----------|----|--|--|
|   | P.S.C. KY. NO.                                      |           | 5  |  |  |
|   | Original  | _SHEET NO | 62 | Augustinia (Control of Control of |  |
| Shelby Energy Cooperative, Inc. Shelbyville, Kentucky |   |           |    |  |  |
| CLASSIFICATION O                                      | SERVICE   |           |    |  |  |
| RATES SCHEDULE ES – ENVIRON                           | IMENTAL SU  | RCHARGE   |    |  |  |

## RATES SCHEDULE ES - EN VIRONNENTAL SURCHA

## **AVAILABILITY**

In all of the Company's service territory.

# **APPLICABILITY**

This rate schedule shall apply to all electric rate schedules and special contracts.

## RATE

CES(m) = ES(m) - BESF

where CES(m) = Current Month Environmental Surcharge Factor ES(m) = Current Month Environmental Surcharge Calculation BESF = Base Environmental Surcharge Factor of 0%

ES(m) = [((WESF) x (Average of 12-months ended revenues from sales to Member System, excluding environmental surcharge)) + (Over)/Under Recovery] divided by

[Average of 12-months ending Retail Revenue (excluding environmental surcharge)] = \_\_\_\_\_\_%

where WESF = Wholesale Environmental Surcharge Factor for Current Expense Month

| DATE OF ISSUE March 17, 2005                           |      |
|--|------|
| Month / Date / Year                                    |      |
| DATE EFFECTIVE Service rendered beginning July 1, 2005 |      |
| Month / Date / Year                                    | PUBL |
| ISSUED BY Judley Tother                                |      |
| (Signature of Officer)                                 |      |
| TITLE President & CEO                                  | PU   |
| BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION |      |
|  |      |
| IN CASE NO2004-00372DATED03/17/05                      |      |

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE 7/1/2005

7/1/2005 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Executive Director

|   | FOR ENTIRE TERRITORY SERVED Community, Town or City |           |    |
|---|---|-----------|----|
|   | P.S.C. KY. NO5                                      |           | 5  |
|   | Original  | _SHEET NO | 63 |
| Shelby Energy Cooperative, Inc. Shelbyville, Kentucky   |   |           |    |
| CLASSIFICATION OF   | SERVICE   |           |    |
| (Over)/Under Recovery =  6-months cumulative (over)/under recovery as defined by amount billed by EKPC to Member System minus the amount billed by Member System to retail customer. Over or under recoveries shall be amortized over a six-month period. |   |           |    |
| BESF = zero   |   |           |    |

## **BILLING**

The current expense month (m) shall be the second month preceding the month in which the Environmental Surcharge is billed.

| DATE OF ISSUE_ | March 17, 2005                          |
|----------------|---|
|                | Month / Date / Year                     |
| DATE EFFECTIVE | Service rendered beginning July 1, 2005 |
| Ingline ni     | Month (Date Year                        |
| ISSUED BY      | (Signature diofficer)                   |
| TITLE          | President & CEO                         |

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION IN CASE NO. 2004-00372 DATED 03/17/05

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/1/2005
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

Executive Director

#### RATES SCHEDULE NM-NET METERING

### AVAILABILITY OF NET METERING SERVICE

Net Metering is available to eligible member-generators in Shelby Energy Cooperative's service territory, upon request, and on a first-come, first-served basis up to a cumulative capacity of one percent (1%) of the Shelby Energy Cooperative's single hour peak load during the previous year. If the cumulative generating capacity of net metering systems reaches 1% of a supplier's single hour peak load during the previous year, upon Commission approval, Shelby Energy Cooperative's obligation to offer net metering to a new member-generator may be limited. An eligible member-generator shall mean a member retail electric member of Shelby Energy Cooperative with a generating facility that:

- Generates electricity using solar energy, wind energy, biomass or biogas energy, or hydro energy;
- 2) Has a rated capacity of not greater than thirty (30) kilowatts;
- 3) Is located on the member's premises;
- 4) Is owned and operated by the member;
- 5) Is connected in parallel with Shelby Energy Cooperative's electric distribution system; and
- 6) Has the primary purpose of supplying all or part of the member's own electricity requirements.

At its sole discretion, Shelby Energy Cooperative may provide Net Metering to other membergenerators not meeting all the conditions listed above on a case-by-case basis.

## **METERING**

Shelby Energy Cooperative shall provide net metering services, without any cost to the Member for metering equipment, through a standard kilowatt-hour metering system capable of measuring the flow of electricity in two (2) directions. This provision does not relieve Member of his or her responsibility to pay metering costs embedded in the Shelby Energy Cooperative's Commission-

DATE OF ISSUE April 6, 2009

DATE EFFECTIVE: April 8, 2002 FECTIVE

4/8/2009

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approved base rates. Net metered electricity shall be measured in accordance with standard metering practices established by Shelby Energy Cooperative using metering equipment capable of measuring and recording energy flows, on a kWh basis, from Shelby Energy Cooperative o the member-generator and from the member-generator to Shelby Energy Cooperative, with each directional energy flow recorded independently. If time-of-day or time-of-use metering is used, the electricity fed back to the electric grid by the member-generator shall be metered and accounted for at the specific time it is fed back to the electric grid in accordance with the time-of-day and time-of-use billing agreement currently in place.

Any additional meter, meters, or distribution upgrades needed to monitor the flow in each direction shall be installed at the Member's expense.

#### **BILLING AND PAYMENT**

For charges collected on the basis of metered registration, Shelby Energy Cooperative shall, for each monthly billing period, determine the net meter registration of the member-generator by comparing the directional energy flow in each direction. If the net meter registration shows that the deliveries of energy in kWh from the member-generator to Shelby Energy Cooperative exceed the deliveries of energy in kWh from Shelby Energy Cooperative to the member-generator, the net meter registration in kWh will be carried forward to the next monthly billing period as a Net Metering Credit, expressed in kWh. If the member-generators carried over a Net Metering Credit from one of more prior months, the net meter registration from the current month shall be added to the Net Metering Credit that exists from prior months.

If the net metering registration shows that deliveries of energy in kWh from the Cooperative to the member-generator exceed the deliveries of energy in kWh from the member-generator to the Cooperative, the member-generator shall pay the Cooperative for the net amount of energy delivered by the Cooperative after application of any Net Metering Credit carried forward from previous months at the current rate applicable to its type or class of electric service.

The member shall be responsible for payment of any applicable member charge or other applicable charges.

At no time shall Shelby Energy Cooperative be required to convert the Net Billing Credit to cash. If a member-generator closes his account, no cash refund for residual Net Metering Credits shall be paid.

| <del>-</del>  |                 |  |
|---|-----------------|--|
| Net Metering Credits are not transferable between     | een members or  | locations.<br>PUBLIC SERVICE COMMISSION<br>OF KENTUCKY |
|   |                 |  |
| DATE OF ISSUE April 6, 2009                           | DATE EFFECTI    | VE: April 8, 2005 FFECTIVE                             |
|   |                 | 4/8/2009   |
| ISSUED BY Jellie Martin                               | _TITLE Preside: | t & CHEFEYANT TO ARE 5:011                             |
| Issued by authority of an Order of the Public Service | e Commission of | Kentucky in SECTION 9 (1)                              |
| Case No. 2008-00169 Dated January 8, 2009             |                 | By Bew Executive Director                              |
| •   |                 | ·  |

# APPLICATION AND APPROVAL PROCESS

The Member shall submit an Application for Interconnection and Net Metering ("Application") and receive approval from Shelby Energy Cooperative prior to connecting the generator facility to Shelby Energy Cooperative's system.

Applications will be submitted by the Member and reviewed and processed by Shelby Energy Cooperative according to either Level 1 or Level 2 processes defined in this tariff.

Shelby Energy Cooperative may reject an Application for violations of any code, standard, or regulation related to reliability or safety; however, Shelby Energy Cooperative will work with the Member to resolve those issues to the extent practicable.

Members may contact Shelby Energy Cooperative to check on status of an Application or with questions prior to submitting an Application. Contact information is provided on the Application form and is listed on Shelby Energy Cooperative's website.

## LEVEL 1 AND LEVEL 2 DEFINITIONS

#### LEVEL 1

A Level 1 Application shall be used if the generating facility is inverter-based and is certified by a nationally recognized testing laboratory to meet the requirements of Underwriters Laboratories Standard 1741 "Inverters, Converters, Controllers and Interconnection System Equipment for Use With Distributed Energy Resources" (UL 1741).

Shelby Energy Cooperative will approve the Level 1 Application if the generating facility also meets all of the following conditions:

For interconnection to a radial distribution circuit, the aggregated generation on the circuit, including the proposed generating facility, will not exceed 15% of the Line Section's most recent annual one hour peak load. A line section is the smallest part of the primary distribution system the generating facility could remain connected to after operation of any sectionalizing devices.

|                                     | PUBLIC SERVICE COMMISSION   |
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| DATE OF ISSUE April 6, 2009 DATE EN | FFECTIVE: April 8 2009 FFECTIVE   |
| ISSUED BY                           | Hesident & Chief Executive Offiser KAR 5:011 sion of Kentucky in SECTION 9 (1)  By Executive Director |

- 2) If the proposed generating facility is to be interconnected on a single-phase shared secondary, the aggregate generation capacity, including the proposed generating facility, will not exceed the smaller of 20 kVA or the nameplate rating of the transformer.
- 3) If the proposed generating facility is single-phase and is to be interconnected on a center tap neutral of a 240 volt service, its addition shall not create an imbalance between the two sides of the 240 volt service of more than 20% of the nameplate rating of the service transformer.
- 4) If the generating facility is to be connected to three-phase, three wire primary Shelby Energy Cooperative distribution lines, the generator shall appear as a phase-to-phase connection at the primary Shelby Energy Cooperative distribution line.
- 5) If the generating facility is to be connected to three-phase, four wire primary Shelby Energy Cooperative distribution lines, the generator shall appear to the primary Shelby Energy Cooperative distribution line as an effectively grounded source.
- 6) The interconnection will not be on an area or spot network.
- 7) Shelby Energy Cooperative does not identify any violations of any applicable provisions of IEEE 1547, "Standard for Interconnecting Distributed Resources with Electric Power Systems."
- 8) No construction of facilities by Shelby Energy Cooperative on its own system will be required to accommodate the generating facility.

If the generating facility does not meet all of the above listed criteria, Shelby Energy Cooperative, in its sole discretion, may either: 1) approve the generating facility under the Level 1 Application if Shelby Energy Cooperative determines that the generating facility can be safely and reliably connected to Shelby Energy Cooperative's system; or 2) deny the Application as submitted under the Level 1 Application.

Shelby Energy Cooperative shall notify the member within 20 business days whether the Application is approved or denied, based on the criteria provided in this section.

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| ISSUED BY Dellui Martini  | TITLE Presiden  | EFFECTIVE<br>t & Chief Executive, Officer         |
| Issued by authority of an Order of the Public Service Case No. 2008-00169 Dated January 8, 2009 | e Commission of | K.entuckがRSUANT TO 807 KAR 5:011<br>SECTION 9 (1) |
|   |                 | By W Moeion                                       |
|   |                 | # Executive Director                              |

If the Application lacks complete information, Shelby Energy Cooperative shall notify the Member that additional information is required, including a list of such additional information. The time between notification and receipt of required additional information will add to the time to process the Application.

When approved, Shelby Energy Cooperative will indicate by signing the approval line on the Level 1 Application Form and returning it to the Member. The approval will be subject to successful completion of an initial installation inspection and witness test if required by Shelby Energy Cooperative. Shelby Energy Cooperative's approval section of the Application will indicate if an inspection and witness test are required. If so, the Member shall notify Shelby Energy Cooperative within 3 business days of completion of the generating facility installation and schedule an inspection and witness test with Shelby Energy Cooperative to occur within 10 business days of completion of the generator facility installation or as otherwise agreed to by Shelby Energy Cooperative and the Member. The Member may not operate the generating facility until successful completion of such inspection and witness test, unless Shelby Energy Cooperative expressly permits operational testing not to exceed two hours. If the installation fails the inspection or witness test due to non-compliance with any provision in the Application and Shelby Energy Cooperative approval, the Member shall not operate the generating facility until any and all non-compliance issues are corrected and re-inspected by Shelby Energy Cooperative.

If the Application is denied, Shelby Energy Cooperative will supply the Member with reasons for denial. The Member may resubmit under Level 2 if appropriate.

#### LEVEL 2

A Level 2 Application is required under any of the following:

- 1) The generating facility is not inverter based;
- 2) The generating facility uses equipment that is not certified by a nationally recognized testing laboratory to meet the requirements of UL 1741; or
- 3) The generating facility does not meet one or more of the additional conditions under Level 1.

|   | PUBLIC SERVICE COMMISSION                                |
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| DATE OF ISSUE April 6, 2009                         | DATE EFFECTIVE: April 8, 2007 ECTIVE                     |
| ISSUED BY Julie Martin                              | 4/8/2009 TITLE President & Chief Executive Officer 5:011 |
| Issued by authority of an Order of the Public Servi | rice Commission of Kentucky in SECTION 9 (1)             |
| Case No. 2008-00169 Dated January 8, 2009           | 1100   |
|   | By Il Moeur  |
|   | #   Executive Director                                   |

Shelby Energy Cooperative will approve the Level 2 Application if the generating facility meets Shelby Energy Cooperative's technical interconnection requirements, which are based on IEEE 1547.

Shelby Energy Cooperative will process the Level 2 Application within 30 business days of receipt of a complete Application. Within that time Shelby Energy Cooperative will respond in one of the following ways:

- 1) The Application is approved and Shelby Energy Cooperative will provide the Member with an Interconnection Agreement to sign.
- 2) If construction or other changes to Shelby Energy Cooperative's distribution system are required, the cost will be the responsibility of the Member. Shelby Energy Cooperative will give notice to the Member and offer to meet to discuss estimated costs and construction timeframe. Should the Member agree to pay for costs and proceed, Shelby Energy Cooperative will provide the Member with an Interconnection Agreement to sign within a reasonable time.
- 3) The Application is denied. Shelby Energy Cooperative will supply the Member with reasons for denial and offer to meet to discuss possible changes that would result in Shelby Energy Cooperative approval. Member may resubmit Application with changes.

If the Application lacks complete information, Shelby Energy Cooperative shall notify the Member that additional information is required, including a list of such additional information. The time between notification and receipt of required additional information will add to the 30-business-day target to process the Application.

The Interconnection Agreement will contain all the terms and conditions for interconnection consistent with those specified in this tariff, inspection and witness test requirements, description of and cost of construction or other changes to Shelby Energy Cooperative's distribution system required to accommodate the generating facility, and detailed documentation of the generating facilities which may include single line diagrams, relay settings, and a description of operation.

DATE OF ISSUE April 6, 2009

DATE EFFECTIVE: April 8 SERVICE COMMISSION

EFFECTIVE

EFFECTIVE

TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in UANT TO 807 KAR 5:011

Case No. 2008-00169 Dated January 8, 2009

DATE EFFECTIVE: April 8 SERVICE COMMISSION

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SECTION 9 (1)

The Member may not operate the generating facility until an Interconnection Agreement is signed by the Member and Shelby Energy Cooperative and all necessary conditions stipulated in the agreement are met.

### APPLICATION, INSPECTION AND PROCESSING FEES

No application fees or other review, study, or inspection or witness test fees may be charged by Shelby Energy Cooperative for Level 1 Applications.

Shelby Energy Cooperative requires each Member to submit with each Level 2 Application a non-refundable application, inspection and processing fee of \$100 for Level 2 Applications. In the event Shelby Energy Cooperative determines an impact study is necessary with respect to a Level 2 Application, the Member shall be responsible for any reasonable costs up to \$1,000 for the initial impact study. Shelby Energy Cooperative shall provide documentation of the actual cost of the impact study. Any other studies requested by the Member shall be at the Member's sole expense.

#### TERMS AND CONDITIONS FOR INTERCONNECTION

To interconnect to Shelby Energy Cooperative's distribution system, the Member's generating facility shall comply with the following terms and conditions:

- 1) Shelby Energy Cooperative shall provide the Member net metering services, without charge for standard metering equipment, through a standard kilowatt-hour metering system capable of measuring the flow of electricity in two (2) directions. If the Member requests any additional meter or meters or distribution upgrades are needed to monitor the flow in each direction, such installations shall be at the Member's expense.
- 2) The Member shall install, operate, and maintain, at Member's sole cost and expense, any control, protective, or other equipment on the Member's system required by Shelby Energy Cooperative's technical interconnection requirements based on IEEE 1547, the NEC, accredited testing laboratories such as Underwriters Laboratories, and the manufacturer's suggested practices for safe, efficient and reliable operation

|   |                 | PUBLIC SERVICE COMMISSION                          |
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| DATE OF ISSUE April 6, 2009                           | DATE EFFECT     | VE: April 8, 200 KENTUCKY                          |
| ISSUED BY Delevi Martin                               | TITLE Pre       | 4/8/2009<br>sident & Chief Executive Officer 5:011 |
| Issued by authority of an Order of the Public Service | ce Commission o | Kentucky in SECTION 9 (1)                          |
| Case No. 2008-00169 Dated January 8, 2009             |                 | $\omega \cap \Omega$                               |
|   |                 | By Il Maeur  |
|   |                 | /   Executive Director                             |

of the generating facility in parallel with Shelby Energy Cooperative's electric system. Member shall bear full responsibility for the installation, maintenance and safe operation of the generating facility. Upon reasonable request from Shelby Energy Cooperative, the Member shall demonstrate generating facility compliance.

- The generating facility shall comply with, and the Member shall represent and warrant its compliance with: (a) any applicable safety and power quality standards established by IEEE and accredited testing laboratories such as Underwriters Laboratories; (b) the NEC as may be revised from time to time; (c) Shelby Energy Cooperative's rules, regulations, and Service Regulations as contained in Shelby Energy Cooperative's Retail Electric Tariff as may be revised from time to time with the approval of the Kentucky Public Service Commission (Commission); (d) the rules and regulations of the Commission, as such rules and regulations may be revised from time to time by the Commission; and (e) all other applicable local, state, and federal codes and laws, as the same may be in effect from time to time. Where required by law, Member shall pass an electrical inspection of the generating facility by a local authority having jurisdiction over the installation.
- 4) Any changes or additions to Shelby Energy Cooperative's system required to accommodate the generating facility shall be considered excess facilities. Member shall agree to pay Shelby Energy Cooperative for actual costs incurred for all such excess facilities prior to construction.
- Member shall operate the generating facility in such a manner as not to cause undue fluctuations in voltage, intermittent load characteristics or otherwise interfere with the operation of Shelby Energy Cooperative's electric system. At all times when the generating facility is being operated in parallel with Shelby Energy Cooperative's electric system, Member shall operate the generating facility in such a manner that no adverse impacts will be produced thereby to the service quality rendered by Shelby Energy Cooperative to any of its other members or to any electric system interconnected with Shelby Energy Cooperative's electric system. Member shall agree that the interconnection and operation of the generating facility is secondary to, and shall not interfere with, Shelby Energy Cooperative's ability to meet its primary responsibility of furnishing reasonably adequate service to its members.

| DATE OF ISSUE April 6, 2009                           | DATE EFFECT    | VE: VALIS SERVICE COMMISSION               |
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| ISSUED BY Delilie Martin                              | TITLE Presid   | EFFECTIVE<br>ent & Chief Executive Officer |
| Issued by authority of an Order of the Public Service | e Commission o | Kentusky in UANT TO 807 KAR 5:011          |
| Case No. 2008-00169 Dated January 8, 2009             |                | SECTION 9 (1)                              |
|   |                | By Executive Director                      |

- The Member shall be responsible for protecting, at Member's sole cost and expense, the generating facility from any condition or disturbance on Shelby Energy Cooperative's electric system, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment failures, and lightning or switching surges, except that Shelby Energy Cooperative shall be responsible for repair of damage caused to the generating facility resulting solely from the negligence or willful misconduct on the part of Shelby Energy Cooperative.
- 7) After initial installation, Shelby Energy Cooperative shall have the right to inspect and/or witness commissioning tests, as specified in the Level 1 or Level 2 Application and approval process. Following the initial testing and inspection of the generating facility and upon reasonable advance notice to the Member, Shelby Energy Cooperative shall have access at reasonable times to the generating facility to perform reasonable on-site inspections to verify that the installation, maintenance, and operation of the generating facility comply with the requirements of this tariff.
- 8) For Level 1 and 2 generating facilities, an eligible Member shall furnish and install on the Member's side of the point of common coupling a safety disconnect switch which shall be capable of fully disconnecting the Member's energy generating equipment from Shelby Energy Cooperative's electric service under the full rated conditions of the Member's generating facility. The external disconnect switch (EDS) shall be located adjacent to Shelby Energy Cooperative's meters or the location of the EDS shall be noted by placing a sticker on the meter, and shall be of the visible break type in a metal enclosure which can be secured by a padlock. If the EDS is not located directly adjacent to the meter, the Member shall be responsible for ensuring that the location of the EDS is properly and legibly identified for so long as the generating facility is operational. The disconnect switch shall be accessible to Shelby Energy Cooperative personnel at all times. Shelby Energy Cooperative may waive the requirement for an EDS for a generating facility at its sole discretion, and on a case-by-case basis, upon review of the generating facility operating parameters and if permitted under Shelby Energy Cooperative's safety and operating protocols.
- 9) Shelby Energy Cooperative shall have the right and authority at Shelby Energy Cooperative's sole discretion to isolate the generating facility or require the Member to discontinue operation of the generating facility if Shelby Energy

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|  |                        | PURSUANT TO 807 KAR 5:011                             |
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| ase No. 2008-00169 Dated January 8, 2009           |                        | By W Maer   |
|  |                        | //   Executive Director                               |

Cooperative believes that: (a) continued interconnection and parallel operation of the generating facility with Shelby Energy Cooperative's electric system may create or contribute to a system emergency on either Shelby Energy Cooperative's or the Member's electric system; (b) the generating facility is not in compliance with the requirements of this tariff, and the noncompliance adversely affects the safety, reliability, or power quality of Shelby Energy Cooperative's electric system; or (c) the generating facility interferes with the operation of Shelby Energy Cooperative's electric system. In non-emergency situations, Shelby Energy Cooperative shall give the Member notice of noncompliance including a description of the specific noncompliance condition and allow the Member a reasonable time to cure the noncompliance prior to isolating the generating facilities. In emergency situations, when Shelby Energy Cooperative is unable to immediately isolate or cause the Member to isolate only the generating facility, Shelby Energy Cooperative may isolate the Member's entire facility.

- 10) The Member shall agree that, without the prior written permission from Shelby Energy Cooperative, no changes shall be made to the generating facility as initially approved. Increases in generating facility capacity will require a new "Application for Interconnection and Net Metering" which will be evaluated on the same basis as any other new application. Repair and replacement of existing generating facility components with like components that meet UL 1741 certification requirements for Level 1 facilities and not resulting in increases in generating facility capacity is allowed without approval.
- 11) To the extent permitted by law, the Member shall protect, indemnify, and hold harmless Shelby Energy Cooperative and its directors, officers, employees, agents, representatives and contractors against and from all loss, claims, actions or suits, including costs and attorneys fees, for or on account of any injury or death of persons or damage to property caused by the Member or the Member's employees, agents, representatives and contractors in tampering with, repairing, maintaining, or operating the Member's generating facility or any related equipment or any facilities owned by Shelby Energy Cooperative except where such injury, death or damage was caused or contributed to by the fault or negligence of Shelby Energy Cooperative or its employees, agents, representatives, or contractors.

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The liability of Shelby Energy Cooperative to the Member for injury to person and property shall be governed by the tariff(s) for the class of service under which the Member is taking service.

- 12) The Member shall maintain general liability insurance coverage (through a standard homeowner's, commercial, or other policy) for both Level 1 and Level 2 generating facilities. The Member shall, upon request, provide Shelby Energy Cooperative with proof of such insurance at the time that application is made for net metering.
- 13) By entering into an Interconnection Agreement, or by inspection, if any, or by non-rejection, or by approval, or in any other way, Shelby Energy Cooperative does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable codes or requirements, or as to any other characteristics, of the generating facility equipment, controls, and protective relays and equipment.
- 14) A Member's generating facility is transferable to other persons or service locations only after notification to Shelby Energy Cooperative has been made and verification that the installation is in compliance with this tariff. Upon written notification that an approved generating facility is being transferred to another person, member, or location, Shelby Energy Cooperative will verify that the installation is in compliance with this tariff and provide written notification to the member(s) within 20 business days. If the installation is no longer in compliance with this tariff, Shelby Energy Cooperative will notify the Member in writing and list what must be done to place the facility in compliance.
- 15) The Member shall retain any and all Renewable Energy Credits (RECs) that may be generated by their generating facility.

#### EFFECTIVE TERM AND TERMINATION RIGHTS

This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) Member may terminate this Agreement at any time by giving Shelby Energy Cooperative at least sixty (60) days' written notice; (b) Shelby Energy Cooperative may terminate upon failure by the Member to continue ongoing operation of the generating facility; (c) either party may terminate by giving the other party at

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| Case No. 2008-00169 Dated January 8, 2009  |             | By Executive Director  |

least thirty (30) days prior written notice that the other party is in default of any of the terms and conditions of the Agreement or the Rules or any rate schedule, tariff, regulation, contract, or policy of Shelby Energy Cooperative, so long as the notice specifies the basis for termination and there is opportunity to cure the default; (d) Shelby Energy Cooperative may terminate by giving the Member at least thirty (30) days notice in the event that there is a material change in an applicable law, regulation or statute affecting this Agreement or which renders the system out of compliance with the new law or statute.

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| Issued by authority of an Order of the Public Service Commission of |  |
| Case No. 2008-00169 Dated January 8, 2009                           | SECTION 9 (1)                              |
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# LEVEL 1

# Application for Interconnection and Net Metering

Use this application form only for a generating facility that is inverter based and certified by a nationally recognized testing laboratory to meet the requirements of UL1741.

Submit this Application to:

Shelby Energy Cooperative, Inc 620 Old Finchville Rd Shelbyville, KY 40065

If you have questions regarding this Application or its status, contact the Cooperative at:

(502) 633-4420

| Member Name:  | Account Number:   |  |
|---|---|--|
| Member Address:   |   |  |
|   | Member E-Mail Address:  |  |
| Project Contact Person:   |   |  |
| Phone No.:  | E-mail Address (Optional):  |  |
| Provide names and contact information for other contractors, installers, or engineering firms involved in the design and installation of the generating facilities: |   |  |
|   | Wind Hydro Biogas Biomass   |  |
| Inverter Manufacturer and Model #   | #:  |  |
| Inverter Power Rating:  | Inverter Voltage Rating:  |  |
| Power Rating of Energy Source (i.   | .e., solar panels, wind turbine):   |  |
| Is Battery Storage Used: No   | Yes If Yes, Battery Power Rating:   |  |
| , ,   | PUBLIC SERVICE COMMISSION<br>OF KENTUCKY  |  |
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For All Counties Served P.S.C. <u>5</u> Original Sheet No.109

## Shelby Energy Cooperative, Inc

Attach documentation showing that inverter is certified by a nationally recognized testing laboratory to meet the requirements of UL 1741.

Attach site drawing or sketch showing location of Cooperative's meter, energy source, Cooperative accessible disconnect switch and inverter.

Attach single line drawing showing all electrical equipment from the Cooperative's metering location to the energy source including switches, fuses, breakers, panels, transformers, inverters, energy source, wire size, equipment ratings, and transformer connections.

| Expected Start-up Date: |  |  |
|-------------------------|--|--|
|                         |  |  |

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| Case No. 2008-00169 Dated January 8, 2009                                 | SECTION 9 (1)   |
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#### **TERMS AND CONDITIONS:**

- 1) Shelby Energy Cooperative shall provide the Member net metering services, without charge for standard metering equipment, through a standard kilowatt-hour metering system capable of measuring the flow of electricity in two (2) directions. If the Member requests any additional meter or meters or distribution upgrades are needed to monitor the flow in each direction, such installations shall be at the Member's expense.
- 2) The Member shall install, operate, and maintain, at Member's sole cost and expense, any control, protective, or other equipment on the Member's system required by Shelby Energy Cooperative's technical interconnection requirements based on IEEE 1547, the NEC, accredited testing laboratories such as Underwriters Laboratories, and the manufacturer's suggested practices for safe, efficient and reliable operation of the generating facility in parallel with Shelby Energy Cooperative's electric system. The Member shall bear full responsibility for the installation, maintenance and safe operation of the generating facility. Upon reasonable request from Shelby Energy Cooperative, the Member shall demonstrate generating facility compliance.
- 3) The generating facility shall comply with, and the Member shall represent and warrant its compliance with: (a) any applicable safety and power quality standards established by IEEE and accredited testing laboratories such as Underwriters Laboratories; (b) the NEC as may be revised from time to time; (c) Shelby Energy Cooperative's rules, regulations, and Service Regulations as contained in Shelby Energy Cooperative's Retail Electric Tariff as may be revised from time to time with the approval of the Kentucky Public Service Commission (Commission); (d) the rules and regulations of the Commission, as such rules and regulations may be revised from time to time by the Commission; and (e) all other applicable local, state, and federal codes and laws, as the same may be in effect from time to time. Where required by law, Member shall pass an electrical inspection of the generating facility by a local authority having jurisdiction over the installation.
- 4) Any changes or additions to Shelby Energy Cooperative's system required to accommodate the generating facility shall be considered excess facilities. Member shall agree to pay Shelby Energy Cooperative for actual costs incurred for all such excess facilities prior to construction.

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| Case No. 2008-00169 Dated January 8, 2009            |              | SECTION 9 (1)                                    |
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- 5) The Member shall operate the generating facility in such a manner as not to cause undue fluctuations in voltage, intermittent load characteristics or otherwise interfere with the operation of Shelby Energy Cooperative's electric system. At all times when the generating facility is being operated in parallel with Shelby Energy Cooperative's electric system, the Member shall operate the generating facility in such a manner that no adverse impacts will be produced thereby to the service quality rendered by Shelby Energy Cooperative to any of its other members or to any electric system interconnected with Shelby Energy Cooperative's electric system. The Member shall agree that the interconnection and operation of the generating facility is secondary to, and shall not interfere with, Shelby Energy Cooperative's ability to meet its primary responsibility of furnishing reasonably adequate service to its members.
- 6) The Member shall be responsible for protecting, at Member's sole cost and expense, the generating facility from any condition or disturbance on Shelby Energy Cooperative's electric system, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment failures, and lightning or switching surges, except that Shelby Energy Cooperative shall be responsible for repair of damage caused to the generating facility resulting solely from the negligence or willful misconduct on the part of Shelby Energy Cooperative.
- 7) After initial installation, Shelby Energy Cooperative shall have the right to inspect and/or witness commissioning tests, as specified in the Level 1 or Level 2 Application and approval process. Following the initial testing and inspection of the generating facility and upon reasonable advance notice to the Member, Shelby Energy Cooperative shall have access at reasonable times to the generating facility to perform reasonable on-site inspections to verify that the installation, maintenance, and operation of the generating facility comply with the requirements of this tariff.
- 8) For Level 1 and 2 generating facilities, an eligible Member shall furnish and install on the Member's side of the point of common coupling a safety disconnect switch which shall be capable of fully disconnecting the Member's energy generating equipment from Shelby Energy Cooperative's electric service under the full rated conditions of the Member's generating facility. The external disconnect switch (EDS) shall be located adjacent to Shelby Energy Cooperative's meters or the location of the EDS shall be noted by placing a sticker on the meter, and shall be of the visible break type in a metal enclosure which can be secured by a padlock. If the EDS is not located directly adjacent to the meter, the

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Member shall be responsible for ensuring that the location of the EDS is properly and legibly identified for so long as the generating facility is operational. The disconnect switch shall be accessible to Shelby Energy Cooperative personnel at all times. Shelby Energy Cooperative may waive the requirement for an EDS for a generating facility at its sole discretion, and on a case-by-case basis, upon review of the generating facility operating parameters and if permitted under Shelby Energy Cooperative's safety and operating protocols.

- 9) Shelby Energy Cooperative shall have the right and authority at Shelby Energy Cooperative's sole discretion to isolate the generating facility or require the Member to discontinue operation of the generating facility if Shelby Energy Cooperative believes that: (a) continued interconnection and parallel operation of the generating facility with Shelby Energy Cooperative's electric system may create or contribute to a system emergency on either Shelby Energy Cooperative's or the Member's electric system; (b) the generating facility is not in compliance with the requirements of this tariff, and the noncompliance adversely affects the safety, reliability, or power quality of Shelby Energy Cooperative's electric system; or (c) the generating facility interferes with the operation of Shelby Energy Cooperative's electric system. In non-emergency situations, Shelby Energy Cooperative shall give the Member notice of noncompliance including a description of the specific noncompliance condition and allow the Member a reasonable time to cure the noncompliance prior to isolating the generating facilities. In emergency situations, when the Shelby Energy Cooperative is unable to immediately isolate or cause the Member to isolate only the generating facility, Shelby Energy Cooperative may isolate the Member's entire facility.
- 10) The Member shall agree that, without the prior written permission from Shelby Energy Cooperative, no changes shall be made to the generating facility as initially approved. Increases in generating facility capacity will require a new "Application for Interconnection and Net Metering" which will be evaluated on the same basis as any other new application. Repair and replacement of existing generating facility components with like components that meet UL 1741 certification requirements for Level 1 facilities and not resulting in increases in generating facility capacity is allowed without approval.

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| Case No. 2008-00169 Dated January 8, 2009                        | By III Moeur                                      |

11) To the extent permitted by law, the Member shall protect, indemnify, and hold harmless Shelby Energy Cooperative and its directors, officers, employees, agents, representatives and contractors against and from all loss, claims, actions or suits, including costs and attorneys fees, for or on account of any injury or death of persons or damage to property caused by the Member or the Member's employees, agents, representatives and contractors in tampering with, repairing, maintaining, or operating the Member's generating facility or any related equipment or any facilities owned by Shelby Energy Cooperative except where such injury, death or damage was caused or contributed to by the fault or negligence of Shelby Energy Cooperative or its employees, agents, representatives, or contractors.

The liability of Shelby Energy Cooperative to the Member for injury to person and property shall be governed by the tariff(s) for the class of service under which the Member is taking service.

- 12) The Member shall maintain general liability insurance coverage (through a standard homeowner's, commercial, or other policy) for both Level 1 and Level 2 generating facilities. The Member shall, upon request, provide Shelby Energy Cooperative with proof of such insurance at the time that application is made for net metering.
- 13) By entering into an Interconnection Agreement, or by inspection, if any, or by nonrejection, or by approval, or in any other way, Shelby Energy Cooperative does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable codes or requirements, or as to any other characteristics, of the generating facility equipment, controls, and protective relays and equipment.
- 14) A Member's generating facility is transferable to other persons or service locations only after notification to Shelby Energy Cooperative has been made and verification that the installation is in compliance with this tariff. Upon written notification that an approved generating facility is being transferred to another person, member, or location, Shelby Energy Cooperative will verify that the installation is in compliance with this tariff and provide written notification to the member(s) within 20 business days. If the installation is no longer in compliance with this tariff, Shelby Energy Cooperative will notify the Member in writing and list what must be done to place the facility in compliance.

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SECTION 9 (1)

Case No. 2008-00169 Dated January 8, 2009

15) The Member shall retain any and all Renewable Energy Credits (RECs) that may be generated by their generating facility.

#### EFFECTIVE TERM AND TERMINATION RIGHTS

This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) The Member may terminate this Agreement at any time by giving Shelby Energy Cooperative at least sixty (60) days' written notice; (b) Shelby Energy Cooperative may terminate upon failure by the Member to continue ongoing operation of the generating facility; (c) either party may terminate by giving the other party at least thirty (30) days prior written notice that the other party is in default of any of the terms and conditions of the Agreement or the Rules or any rate schedule, tariff, regulation, contract, or policy of Shelby Energy Cooperative, so long as the notice specifies the basis for termination and there is opportunity to cure the default; (d) Shelby Energy Cooperative may terminate by giving the Member at least thirty (30) days notice in the event that there is a material change in an applicable law, regulation or statute affecting this Agreement or which renders the system out of compliance with the new law or statute.

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| Case No. 2008-00169 Dated January 8, 2009             |              | SECTION 9 (1)                             |
|   |              | 1 0                                       |

| Shelby Energy Cooperative, Inc   | Original Sheet No.115  |
|--|--|
| I hereby certify that, to the best of my knowledge, all<br>true, and I agree to abide by all the Terms and Conditionand Net Metering and Shelby Energy Cooperative's Ne  | ons included in this Application for Interconnection   |
| Member Signature   | Date   |
| Title  |  |
| COOPERATIVE APP  | ROVAL SECTION  |
| When signed below by a Cooperative representative, A approved subject to the provisions contained in this Ap   |  |
| Cooperative inspection and witness test: Requi   | ired Waived  |
| business days of completion of the generating witness test with the Cooperative to occur generating facility installation or as otherwis Unless indicated below, the Member may not and witness test is successfully completed. generating facility until all other terms and cor Call | e an inspection and witness test.  hours: Allowed Not Allowed  tion of the generating facility may begin when d conditions in the Application have been met. |
|  |  |
| Approved by: Date:   |  |
| Printed Name:Title:_   |  |
|  | PUBLIC SERVICE COMMISSION OF KENTUCKY  |
| DATE OF ISSUE April 6, 2009  | ATE EFFECTIVE: April 8, 2008/2009  |
| ISSUED BY Delilui Martini I  | PURSUANT TO 807 KAR 5:011<br>TTLE <u>President &amp; Chief Executive Office</u> r  |
| Issued by authority of an Order of the Public Service Case No. 2008-00169 Dated January 8, 2009  | By By Executive Director   |

# LEVEL 2

# Application For Interconnection And Net Metering

Use this Application form when generating facility is not inverter-based or is not certified by a nationally recognized testing laboratory to meet the requirements of UL 1741 or does not meet any of the additional conditions under Level 1.

Submit this Application along with an application fee of \$100 to:

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

If you have questions regarding this Application or its status, contact the Cooperative at:

(502) 633-4420

| Member Name: Account Nu   | ımber:   |
|---|--|
| Member Address:   |  |
| Project Contact Person:   |  |
| Phone No.: Email Address (Optiona   | 1):  |
| Provide names and contact information for other contractors, insta<br>involved in the design and installation of the generating facilities: | llers, or engineering firms  |
|   |  |
| Total Generating Capacity of Generating Facility:   |  |
| Type of Generator: Inverter-Based Synchronous   | Induction  |
| Power Source: Solar Wind Hydro  | Biogas Biomass   |
| Adequate documentation and information must be submitted considered complete. Typically this should include the following:                  |  |
|   | PUBLIC SERVICE COMMISSION  |
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| Issued by authority of an Order of the Public Service Commission  | 4/8/2009<br>dent & Chief Executive Officer<br>of Kentucky in SECTION 9 (1) |
| Case No. 2008-00169 Dated <u>January 8, 2009</u>  | By A Executive Director  |

# Shelby Energy Cooperative, Inc.

- 1. Single-line diagram of the member's system showing all electrical equipment from the generator to the point of interconnection with the Cooperative's distribution system, including generators, transformers, switchgear, switches, breakers, fuses, voltage transformers, current transformers, wire sizes, equipment ratings, and transformer connections.
- 2. Control drawings for relays and breakers.
- 3. Site Plans showing the physical location of major equipment.
- 4. Relevant ratings of equipment. Transformer information should include capacity ratings, voltage ratings, winding arrangements, and impedance.
- 5. If protective relays are used, settings applicable to the interconnection protection. If programmable relays are used, a description of how the relay is programmed to operate as applicable to interconnection protection.
- 6. A description of how the generator system will be operated including all modes of operation.
- 7. For inverters, the manufacturer name, model number, and AC power rating. For certified inverters, attach documentation showing that inverter is certified by a nationally recognized testing laboratory to meet the requirements of UL1741.
- 8. For synchronous generators, manufacturer and model number, nameplate ratings, and impedance data (Xd, X'd, & X"d).
- 9. For induction generators, manufacturer and model number, nameplate ratings, and locked rotor current.

| Member Signature: _ |   | Date: | - |
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By Weecutive Director

# <u>LEVEL 2</u> <u>INTERCONNECTION AGREEMENT</u>

| THIS INTERCONNECTION AGREEMENT (Agreement) is made and entered into   |
|---|
| this day of, 20, by and between   |
| (Cooperative), and (Member). Cooperative and Member are   |
| hereinafter sometimes referred to individually as "Party" or collectively as "Parties".   |
|   |
| WITNESSETH:   |
| WHEREAS, Member is installing, or has installed, generating equipment, controls, and protective relays and equipment (Generating Facility) used to interconnect and operate in parallel with Cooperative's electric system, which Generating Facility is more fully described in Exhibit A, attached hereto and incorporated herein by this Agreement, and as follows:  |
| Location:   |
| Generator Size and Type:  |
| NOW, THEREFORE, in consideration thereof, Member and Cooperative agree as follows:  |
| Cooperative agrees to allow the Member to interconnect and operate the Generating Facility in parallel with the Cooperative's electric system and the Member agrees to abide by Cooperative's Net Metering Tariff and all the Terms and Conditions listed in this Agreement including any additional conditions listed in Exhibit A.  |
| TERMS AND CONDITIONS:   |
| 1) Shelby Energy Cooperative shall provide the Member net metering services, without charge for standard metering equipment, through a standard kilowatt-hour metering system capable of measuring the flow of electricity in two (2) directions. If the Member requests any additional meter or meters or distribution upgrades are needed to monitor the flow in each direction, such installations shall be at the Member's expense.   |
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| ISSUED BY / // TITLE President & Chief Executive Officer  |
| 4/8/2009  |
| Issued by authority of an Order of the Public Service Commission of Kentucky in SECTION 9 (1)   |
| Case No. 2008-00169 Dated January 8, 2009   |
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- 2) The Member shall install, operate, and maintain, at the Member's sole cost and expense, any control, protective, or other equipment on the Member's system required by Shelby Energy Cooperative's technical interconnection requirements based on IEEE 1547, the NEC, accredited testing laboratories such as Underwriters Laboratories, and the manufacturer's suggested practices for safe, efficient and reliable operation of the generating facility in parallel with Shelby Energy Cooperative's electric system. The Member shall bear full responsibility for the installation, maintenance and safe operation of the generating facility. Upon reasonable request from Shelby Energy Cooperative, the Member shall demonstrate generating facility compliance.
- 3) The generating facility shall comply with, and the Member shall represent and warrant its compliance with: (a) any applicable safety and power quality standards established by IEEE and accredited testing laboratories such as Underwriters Laboratories; (b) the NEC as may be revised from time to time; (c) Shelby Energy Cooperative's rules, regulations, and Service Regulations as contained in Shelby Energy Cooperative's Retail Electric Tariff as may be revised from time to time with the approval of the Kentucky Public Service Commission (Commission); (d) the rules and regulations of the Commission, as such rules and regulations may be revised from time to time by the Commission; and (e) all other applicable local, state, and federal codes and laws, as the same may be in effect from time to time. Where required by law, the Member shall pass an electrical inspection of the generating facility by a local authority having jurisdiction over the installation.
- 4) Any changes or additions to Shelby Energy Cooperative's system required to accommodate the generating facility shall be considered excess facilities. The Member shall agree to pay Shelby Energy Cooperative for actual costs incurred for all such excess facilities prior to construction.
- 5) The Member shall operate the generating facility in such a manner as not to cause undue fluctuations in voltage, intermittent load characteristics or otherwise interfere with the operation of Shelby 'Energy Cooperative's electric system. At all times when the generating facility is being operated in parallel with Shelby Energy Cooperative's electric system, the Member shall operate the generating facility in such a manner that no adverse impacts will be produced thereby to the service quality rendered by Shelby Energy Cooperative to any

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| Case No. 2008-00169 Dated January 8, 2009                                      |           | By Il Olgens   |

of its other members or to any electric system interconnected with Shelby Energy Cooperative's electric system. The Member shall agree that the interconnection and operation of the generating facility is secondary to, and shall not interfere with, Shelby Energy Cooperative's ability to meet its primary responsibility of furnishing reasonably adequate service to its members.

- 6) The Member shall be responsible for protecting, at the Member's sole cost and expense, the generating facility from any condition or disturbance on Shelby Energy Cooperative's electric system, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment failures, and lightning or switching surges, except that Shelby Energy Cooperative shall be responsible for repair of damage caused to the generating facility resulting solely from the negligence or willful misconduct on the part of Shelby Energy Cooperative.
- 7) After initial installation, Shelby Energy Cooperative shall have the right to inspect and/or witness commissioning tests, as specified in the Level 1 or Level 2 Application and approval process. Following the initial testing and inspection of the generating facility and upon reasonable advance notice to the Member, Shelby Energy Cooperative shall have access at reasonable times to the generating facility to perform reasonable on-site inspections to verify that the installation, maintenance, and operation of the generating facility comply with the requirements of this tariff.
- 8) For Level 1 and 2 generating facilities, an eligible Member shall furnish and install on the Member's side of the point of common coupling a safety disconnect switch which shall be capable of fully disconnecting the Member's energy generating equipment from Shelby Energy Cooperative's electric service under the full rated conditions of the Member's generating facility. The external disconnect switch (EDS) shall be located adjacent to Shelby Energy Cooperative's meters or the location of the EDS shall be noted by placing a sticker on the meter, and shall be of the visible break type in a metal enclosure which can be secured by a padlock. If the EDS is not located directly adjacent to the meter, the Member shall be responsible for ensuring that the location of the EDS is properly and legibly identified for so long as the generating facility is operational. The disconnect switch shall be accessible to Shelby Energy Cooperative personnel at all times. Shelby Energy Cooperative may waive the requirement for an EDS for a generating facility at its sole

|  |                                  | PUBLIC SERVICE COMMISSION  |
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| DATE OF ISSUE April 6, 2009  | DATE EFFE                        | CTIVE: April 8, 2002 CTIVE   |
| ISSUED BY January 8, 2009  Issued by authority of an Order of the Public Service Case No. 2008-00169 Dated January 8, 2009 | TITLE <u>Presi</u><br>Commission | 4/8/2009 dent & Chief Executive Officer 5:011 of Kentucky in ECTION 9 (1)  By Executive Director |

discretion, and on a case-by-case basis, upon review of the generating facility operating parameters and if permitted under Shelby Energy Cooperative's safety and operating protocols.

- 9) Shelby Energy Cooperative shall have the right and authority at Shelby Energy Cooperative's sole discretion to isolate the generating facility or require the Member to discontinue operation of the generating facility if Shelby Energy Cooperative believes that: (a) continued interconnection and parallel operation of the generating facility with Shelby Energy Cooperative's electric system may create or contribute to a system emergency on either Shelby Energy Cooperative's or the Member's electric system; (b) the generating facility is not in compliance with the requirements of this tariff, and the noncompliance adversely affects the safety, reliability, or power quality of Shelby Energy Cooperative's electric system; or (c) the generating facility interferes with the operation of Shelby Energy Cooperative's electric system. In non-emergency situations, Shelby Energy Cooperative shall give the Member notice of noncompliance including a description of the specific noncompliance condition and allow the Member a reasonable time to cure the noncompliance prior to isolating the generating facilities. In emergency situations, when Shelby Energy Cooperative is unable to immediately isolate or cause the Member to isolate only the generating facility, Shelby Energy Cooperative may isolate the Member's entire facility.
- 10) The Member shall agree that, without the prior written permission from Shelby Energy Cooperative, no changes shall be made to the generating facility as initially approved. Increases in generating facility capacity will require a new "Application for Interconnection and Net Metering" which will be evaluated on the same basis as any other new application. Repair and replacement of existing generating facility components with like components that meet UL 1741 certification requirements for Level 1 facilities and not resulting in increases in generating facility capacity is allowed without approval.
- 11) To the extent permitted by law, the Member shall protect, indemnify, and hold harmless Shelby Energy Cooperative and its directors, officers, employees, agents, representatives and contractors against and from all loss, claims, actions or suits, including costs and attorneys fees, for or on account of any injury or death of persons or damage to property caused by the Member or the Member's employees, agents, representatives and contractors in tampering with, repairing, maintaining, or operating the Member's generating facility or any related equipment or any facilities owned by Shelby Energy

| generating facility or any related equip            | mont or only fo  | cilitian arread by Challer Tinasar    |
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| generating facility of any related equip            | intent of any re | circles owned by bholby Energy        |
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| Case No. 2008-00169 Dated January 8, 2009           |                  | By Ill Maeur                          |
|   |                  | Executive Director                    |

Cooperative except where such injury, death or damage was caused or contributed to by the fault or negligence of the Shelby Energy Cooperative or its employees, agents, representatives, or contractors.

The liability of Shelby Energy Cooperative to the Member for injury to person and property shall be governed by the tariff(s) for the class of service under which the Member is taking service.

- 12) The Member shall maintain general liability insurance coverage (through a standard homeowner's, commercial, or other policy) for both Level 1 and Level 2 generating facilities. The Member shall, upon request, provide Shelby Energy Cooperative with proof of such insurance at the time that application is made for net metering.
- 13) By entering into an Interconnection Agreement, or by inspection, if any, or by non-rejection, or by approval, or in any other way, Shelby Energy Cooperative does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable codes or requirements, or as to any other characteristics, of the generating facility equipment, controls, and protective relays and equipment.
- 14) A Member's generating facility is transferable to other persons or service locations only after notification to the Shelby Energy Cooperative has been made and verification that the installation is in compliance with this tariff. Upon written notification that an approved generating facility is being transferred to another person, member, or location, Shelby Energy Cooperative will verify that the installation is in compliance with this tariff and provide written notification to the member(s) within 20 business days. If the installation is no longer in compliance with this tariff, Shelby Energy Cooperative will notify the Member in writing and list what must be done to place the facility in compliance.
- 15) The Member shall retain any and all Renewable Energy Credits (RECs) that may be generated by their generating facility.

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#### EFFECTIVE TERM AND TERMINATION RIGHTS

This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) The Member may terminate this Agreement at any time by giving Shelby Energy Cooperative at least sixty (60) days' written notice; (b) Shelby Energy Cooperative may terminate upon failure by the Member to continue ongoing operation of the generating facility; (c) either party may terminate by giving the other party at least thirty (30) days prior written notice that the other party is in default of any of the terms and conditions of the Agreement or the Rules or any rate schedule, tariff, regulation, contract, or policy of Shelby Energy Cooperative, so long as the notice specifies the basis for termination and there is opportunity to cure the default; (d) Shelby Energy Cooperative may terminate by giving the Member at least thirty (30) days notice in the event that there is a material change in an applicable law, regulation or statute affecting this Agreement or which renders the system out of compliance with the new law or statute.

IN WITNESS WHEREOF, the Parties have executed this Agreement, effective as of the date first above written.

| COOPERATIVE NAME | MEMBER       |
|------------------|--------------|
| Ву:              | By:          |
| Printed Name     | Printed Name |
| Title:           | Title:       |

| DATE OF ISSUE April 6, 2009  ISSUED BY  Issued by authority of an Order of the Public Se.  Case No. 2008-00169 Dated January 8, 2009 | TITLE <u>Pr</u> | ECHALLIANTER VIOLE COMMISSION OF KENTUCKY EFFECTIVE esident & Chief Executive Officer ion of Kentucky in to 807 KAR 5:011 SECTION 9 (1) |
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# Exhibit A (To be developed by each member system)

Exhibit A will contain additional detailed information about the Generating Facility such as a single line diagram, relay settings, and a description of operation.

When construction of Utility facilities is required, Exhibit A will also contain a description and associated cost.

Exhibit A will also specify requirements for a Utility inspection and witness test and when limited operation for testing or full operation may begin.

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| Issued by authority of an Order of the Public Servic | e Commission  | of Kentucky in 4/6/2009       |
| Case No. 2008-00169 Dated <u>January 8, 2009</u>     |               | SECTION 9 (1)                 |
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Shelby Energy Cooperative, Inc. Shelbyville, Kentucky

#### Touchstone Energy Home Program

#### Purpose

The Touchstone Energy Home Program ("Program") is a conservation program that encourages the sale of more energy-efficient homes. It is based on *Energy Star* standards for homes, a nationally recognized symbol of energy efficiency and quality developed and operated jointly by the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy (DOE).

#### Availability

This program is available in all service territory served by Shelby Energy Cooperative.

#### Eligibility

To qualify as a Touchstone Energy Home under this program, the participating home must be located in the service territory of Shelby Energy Cooperative and meet the *Energy Star* standards by including additional floor, wall and ceiling insulation, double pane windows and an electric heat pump.

#### Rebate

East Kentucky Power Cooperative, Inc. ("EKPC") and Shelby Energy Cooperative will provide an incentive to retail customers to build or purchase a Touchstone Energy home. Shelby Energy Cooperative may elect to offer a rebate of up to \$250 for each participant. EKPC will match the rebate offered by the member system cooperative up to a maximum of \$250, resulting in a maximum rebate of \$500 for each participant. Rebates will be paid to each participant upon written certification that the newly constructed home has met the *Energy Star* standards.

#### **Annual Reports**

Shelby Energy Cooperative, in coordination with East Kentucky Power Cooperative, Inc., will submit annual reports on the Program that contain the number of participants, the annual costs, including the costs of the rebates, and the status of the rebate provision. Shelby Energy, in coordination with EKPC, will file the first report by June 30, 2008, and annually thereafter if the Program is continued beyond 2009.

#### **Term**

The Touchstone Energy Home Program will remain in effect through 2009. If Shelby Energy Cooperative should decide to continue the entire program beyond 2009, an application for approval from the Kentucky Public Service Commission will be filed, in coordination with EKPC, 6 months prior to the date of continuation.

| DATE OF ISSUE December 10, 2007 DATE EFFECTIVE: Service rendered on and after September 18, 2007  | )7 |
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| ISSUED BY  ITTLE President & Chief Frequency English Commission of Kentucky in PUBLIC SERVICE COMMISSION EFFECTIVE  9/18/2007  Case No. 2006-00547 Dated September 18, 2007  PURSUANT TO 807 KAR 5:011  SECTION 9 (1) | _  |
| By Executive Director   |    |

# COGENERATION AND SMALL POWER PRODUCTION POWER PURCHASE RATE SCHEDULE OVER 100 kW

#### AVAILABILITY

Available only to qualified cogeneration or small power production facilities with a design capacity of over 100 kW which have executed a contract with Shelby Energy Cooperative, Inc. and East Kentucky Power Cooperative, Inc. ("EKPC") for the purchase of electric power by EKPC.

#### RATES

The rates set forth below shall be used as the basis for negotiating a final purchase rate with qualifying facilities pursuant to Section 7 of 807 KAR 5:054.

- 1. Capacity
  - a. \$50.36 per kW per year is applicable if cogenerator or small power producer is dispatched by EKPC.
  - b. \$0.005851 per kWh is applicable if cogenerator or small power producer is not dispatched by EKPC. (R)
- 2. Energy A base payment per kWh is listed below for a time-differentiated basis or a non-time differentiated basis for the specified years.
  - a. Time Differentiated Rates:

|      | Wi        | <u>nter</u> | Sun       | nmer      | ]     |
|------|-----------|-------------|-----------|-----------|-------|
| Year | On-Peak   | Off-Peak    | On-Peak   | Off-Peak  |       |
| 2009 | \$0.06185 | \$0.04866   | \$0.05010 | \$0.02755 | (n)   |
| 2010 | \$0.06360 | \$0.04895   | \$0.05801 | \$0.03125 | (n    |
| 2011 | \$0.06471 | \$0.05037   | \$0.06050 | \$0.03358 | (n)   |
| 2012 | \$0.07310 | \$0.05610   | \$0.06526 | \$0.03541 | ] (n) |
| 2013 | \$0.06613 | \$0.04911   | \$0.07532 | \$0.04113 | (I)   |

| 2013   | ψ0.0001     | 5 1 40.0    | 1711        | ψ0.07332   | ψ0.07113             | (1)  |
|--|-------------|-------------|-------------|--|----------------------|------|
| b. Non-Time Differentiated Rates:                    |             |             | i           |  |                      |      |
|  |             |             |             | PUBLIC   | SERVICE COMMISS      | SION |
| Year   | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>20</u>  | 12 KENTUCZOY3        |      |
| Rate   | \$0.04876   | \$0.05186   | \$0.05361   | \$0.0  | 59166/1/200\$0.05847 | (I)  |
|  |             |             |             | SUANT TO 807 KAR 5:01  | 1                    |      |
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Issued by authority of an Order of the Public Service Commission of Kennucky in

Case No. 2008-00128 Dated August 20, 2008

Shelby Energy Cooperative, Inc.

The on-peak and off-peak energy rates are applicable during the hours listed below for each season:

Winter (October - April)

On-Peak 7:00 a.m. - 12:00 noon

5:00 p.m. - 10:00 p.m.

Off-Peak 12:00 noon - 5:00 p.m.

10:00 p.m. - 7:00 a.m.

Summer (May - September)

On-Peak 10:00 a.m. - 10:00 p.m.

Off-Peak 10:00 p.m. - 10:00 a.m.

#### TERMS AND CONDITIONS

- 1. All power from a Qualifying Facility (QF) will be sold only to EKPC.
- 2. Seller must provide good quality electric power within a reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
- 3. Qualifying Facility (QF) shall provide reasonable protection for EKPC and Shelby Energy Cooperative, Inc.
- 4. Qualifying Facility (QF) shall design, construct, install, own, operate, and maintain the Qualifying Facility in accordance with all applicable codes, laws, regulations, and generally accepted utility practices.
- 5. Qualifying Facility shall reimburse EKPC and Shelby Energy Cooperative, Inc. for all costs incurred as a result of interconnecting with the QF, including operation, maintenance, administration, and billing.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

DATE OF ISSUE March 31, 2009

DATE EFFECTIVE June 1, 2009
PURSUANT TO 807 KAR 5:011

ISSUED BY

For Area Served P.S.C. No. <u>5</u> 1<sup>st</sup> RevisedSheet No. <u>92</u> Canceling P.S.C. No. \_\_\_ Original Sheet No. <u>92</u>

Shelby Energy Cooperative, Inc.

- 6. Qualifying Facility shall obtain insurance in the following minimum amounts for each occurrence:
  - a. Public Liability for Bodily Injury \$1,000,000.00
  - b. Property Damage \$500,000.00
- 7. Initial contract term shall be for a minimum of five years.
- 8. Qualifying Facilities proposing to supply as available (non-firm) electric power shall not be entitled to a capacity payment.
- 9. Qualifying cogeneration and small power production facilities must meet the definition set forth in 807 KAR 5:054 to be eligible for this tariff.
- 10. Updated rates will be filed with the Public Service Commission of Kentucky by March 31 of each year.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE 6/1/2009

PURSUANT TO 807 KAR 5:011

DATE OF ISSUE March 31, 2009

DATE EFFECTIVE June PEndon 9 (1)

SSUED BY WIND TITLE President

Executive Director

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

Case No. 2008-00128 Dated August 20, 2008

Shelby Energy Cooperative, Inc.

# COGENERATION AND SMALL POWER PRODUCTION POWER PURCHASE RATE SCHEDULE LESS THAN 100 kW

#### **AVAILABILITY**

Available only to qualified cogeneration or small power production facilities with a design capacity of less than 100 kW which have executed a contract with Shelby Energy Cooperative, Inc. and East Kentucky Power Cooperative, Inc. ("EKPC") for the purchase of electric power by EKPC.

#### **RATES**

- 1. Capacity
  - a. \$50.36 per kW per year is applicable if cogenerator or small power producer is dispatched by EKPC.
  - b. \$0.005851 per kWh is applicable if cogenerator or small power producer is not dispatched by EKPC.
- 2. Energy A base payment per kWh is listed below for a time-differentiated basis or a non-time differentiated basis for the specified years.
  - a. Time Differentiated Rates:

| Γ |      | Wi        | nter      | Sun       | nmer        | ]   |
|---|------|-----------|-----------|-----------|-------------|-----|
|   | Year | On-Peak   | Off-Peak  | On-Peak   | Off-Peak    | ]   |
|   | 2009 | \$0.06185 | \$0.04866 | \$0.05010 | \$0.02755 . | (n) |
| T | 2010 | \$0.06360 | \$0.04895 | \$0.05801 | \$0.03125   | (n) |
| T | 2011 | \$0.06471 | \$0.05037 | \$0.06050 | \$0.03358   | (n) |
| T | 2012 | \$0.07310 | \$0.05610 | \$0.06526 | \$0.03541   | (n) |
| - | 2013 | \$0.06613 | \$0.04911 | \$0.07532 | \$0.04113   | (n) |

| b. Non-Ti   | me Differentiated | l Rates:    |                          | P                         | UBLIC SERVICE COMMISSION             | VI. |
|-------------|-------------------|-------------|--------------------------|---------------------------|--------------------------------------|-----|
| Year        | 2009              | 2010        | <u>2011</u>              |                           | 2002F KENTUC2013                     | •   |
| Rate        | \$0.04876         | \$0.05186   | \$0.05361                |                           | \$0.0591 <del>0</del> FECTI\$0.05847 | (T) |
|             |                   |             |                          | PURSUANT TO 807 KAR 5:011 |                                      |     |
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Issued by authority of an Order of the Public Service Commission of Kentucky in

Case No. 2008-00128 Dated August 20, 2008

Shelby Energy Cooperative, Inc.

The on-peak and off-peak energy rates are applicable during the hours listed below for each season:

Winter (October - April)

On-Peak

7:00 a.m. - 12:00 noon

5:00 p.m. - 10:00 p.m.

Off-Peak

12:00 noon - 5:00 p.m.

10:00 p.m. - 7:00 a.m.

Summer (May - September)

On-Peak

10:00 a.m. - 10:00 p.m.

Off-Peak

10:00 p.m. - 10:00 a.m.

#### TERMS AND CONDITIONS

- 1. All power from a Qualifying Facility (QF) will be sold only to EKPC.
- 2. Seller must provide good quality electric power within a reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
- 3. Qualifying Facility (QF) shall provide reasonable protection for EKPC and Shelby Energy Cooperative, Inc.
- 4. Qualifying Facility (QF) shall design, construct, install, own, operate, and maintain the Qualifying Facility in accordance with all applicable codes, laws, regulations, and generally accepted utility practices.
- 5. Qualifying Facility shall reimburse EKPC and Shelby Energy Cooperative, Inc. for all costs incurred as a result of interconnecting with the QF, including operation, maintenance, administration, and billing.

PUBLIC SERVICE COMMISSION
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SECTION 9 (1)

ISSUED BY TITLE President & CI
By By Leville Director
Case No. 2008-00128

Dated August 20, 2008

- 6. Qualifying Facility shall obtain insurance in the following minimum amounts for each occurrence:
  - a. Public Liability for Bodily Injury \$1,000,000.00
  - b. Property Damage \$500,000.00
- 7. Initial contract term shall be for a minimum of five years.
- 8. Qualifying Facilities proposing to supply as available (non-firm) electric power shall not be entitled to a capacity payment.
- 9. Qualifying cogeneration and small power production facilities must meet the definition set. forth in 807 KAR 5:054 to be eligible for this tariff.
- 10. Updated rates will be filed with the Public Service Commission of Kentucky by March 31 of each year.

PUBLIC SERVICE COMMISSION

6/1/2009 PURSUANT TO 807 KAR 5:011

DATE OF ISSUE March 31, 2009

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TITLE President

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

Case No. 2008-00128 Dated August 20, 2008

For All Counties Served P.S.C. No. 5 First Revised Sheet No. 96 Canceling PSC No. \_\_\_ Original Sheet No. 96

Shelby Energy Cooperative, Inc

#### Section DSM - 3(a)

#### Direct Load Control Program - Residential

#### Purpose

The Direct Load Control Program will encourage the reduction in growth of peak demand, enabling East Kentucky Power Cooperative ("EKPC") to utilize its system more efficiently, manage market purchases, and defer the construction of new generation.

#### **Availability**

This rate schedule is **not available** to Shelby Energy's members currently served under Rate 10 (Optional Residential, Church and School Service) as these members are currently receiving rate incentives for Shelby Energy's right to control these members' loads at some future date.

The Direct Load Control Program is available to residential customers in the service territory of Shelby Energy Cooperative and will include the control of water heaters, air conditioners and heat pumps, and pool pumps.

Availability may be denied where, in the judgment of Shelby Energy Cooperative installation of the load control equipment is impractical.

#### **Eligibility**

To qualify for this Program, the participant must be located in the service territory of Shelby Energy Cooperative and have:

- 40-gallon (minimum) electric water heating units, and/or
- Central air conditioning or heat pump units, and/or
- Pool pumps.

The above appliances may be electrically cycled or interrupted in accordance with the rules of this Tariff.

The participant may either own or rent the residence where the qualifying appliances are located. The residence may be either a single-family structure or a multi-family apartment facility.

The participant is responsible for obtaining the permission of the owner of the rented residence to participate in the load control program. Shelby Energy Cooperative may require that a rental on property agreement be executed between Shelby Energy Cooperative and the participate that a residence are sidence.

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| ISSUED BY Deldie Martin                                 | SECTION 9 (  | (1)<br><u>Officer</u> |
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For All Counties Served P.S.C. No. 5 First Revised Sheet No. 97 Canceling PSC. Original Sheet No. 97

Shelby Energy Cooperative, Inc.

#### **Program Incentives**

Shelby Energy Cooperative will provide an incentive to the participants in this program for the following appliances.

Water Heaters. Shelby Energy Cooperative will credit the residential power bill of the participant \$10.00 per water heater per year. The participant will receive this credit regardless of whether the water heater is actually controlled.

Air Conditioners and Heat Pumps. Shelby Energy Cooperative will provide an incentive to the participants in this program. The participant may select one of two alternatives. The participant will receive one of these incentives regardless of whether the air conditioner or heat pump is actually controlled during any program month.

<u>Alternative One</u>. Shelby Energy Cooperative will credit the residential power bill of the participant \$20.00 per air conditioner (\$5 per summer months, June, July, August, and September).

<u>Alternative Two</u>. EKPC, on behalf of Shelby Energy Cooperative, will provide and install at no cost one or more digital thermostats as needed for control purposes.

After the initial selection of one of the alternatives, the participant may change to the other alternative subject to the following conditions:

- From bill credits to digital thermostats The change in alternative will be permitted in any month except for the summer months of June through September. In addition, the participant will pay 50 percent of the installed cost of each digital thermostat.
- From digital thermostats to bill credits The change in alternative will be permitted in any month except for the summer months of June through September. In addition, the participant will either reimburse EKPC, through Shelby Energy Cooperative, an amount equal to 50 percent of the original installed cost of each digital thermostat that was initially installed if the participant keeps the thermostat or pay 50 percent of the cost to remove each digital thermostat that was initially installed.
- Only one change in incentive alternatives will be permitted during a 12 month period.

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| ISSUED BY Julius Planten TITLE I  | resident & Chief Executive Officer |
| Issued by authority of an Order of the Public Service Commission Case No. Dated | of Kentucky in SECTION 9 (1)       |
| Case 110.   | By W Executive Director            |
|   |                                    |

For All Counties Served P.S.C. No. 5 First Revised Sheet No. 98 Canceling PSC. \_\_\_\_ Original Sheet No. 98

Shelby Energy Cooperative, Inc

<u>Pool Pumps.</u> Shelby Energy Cooperative will credit the residential power bill of the participant \$10.00 per pool pump per year. The participant will receive this credit regardless of whether the pool pump is actually controlled.

When the qualifying appliances are located in rental residences, program incentives will be paid to the participant, regardless of whether the participant owns or rents the residence where the qualifying appliances are located. Nothing contained in this Tariff will prohibit a further disposition of the program incentive between the participant and the owner of a rented residence.

#### Time Periods for Direct Load Control Program

Water Heaters. A load control switch will be placed on the water heater and may be electrically interrupted for a maximum time period of four hours.

EKPC will cycle the water heaters only during the hours listed below.

<u>Months</u> October through April <u>Hours Applicable for Demand Billing - EST</u> 6:00 a.m. to 12:00 noon

4:00 p.m. to 10:00 p.m. 10:00 a.m. to 10:00 p.m.

May through September

<u>Air Conditioners and Heat Pumps.</u> A load control device (switch or thermostat) will be placed on each central air conditioning unit or heat pump that will allow the operating characteristics of the unit to be modified to reduce demand on the system. Communication to the load control device will be accomplished via AMR, AMI, or paging equipment.

EKPC will control the air conditioning units and heat pumps only during its summer on-peak billing hours listed below.

Months May through September Hours Applicable for Demand Billing - EST 10:00 a.m. to 10:00 p.m.

| Pool Pumps. A load control switch will be placed on the pool                      |   |
|---|---|
| four hour curtailment during on peak days May through Sept                        | ember. In addition, there may be a                          |
| 50 percent cycling for the ensuing 2 hour recovery period to p                    | re <del>VellBlrिating</del> Blakehaammission<br>OF KENTUCKY |
| DATE OF ISSUE June 30, 2009 DA  | TE EFFECTIVE: Algebra, 2009                                 |
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| Issued by authority of an Order of the Public Service Commission of Case No Dated | By Executive Director                                       |
|   | p iii + Executive Director                                  |

#### Terms and Conditions

- 1. Prior to the installation of load control devices, Shelby Energy Cooperative may inspect the participant's electrical equipment to insure good repair and working condition, but Shelby Energy Cooperative shall not be responsible for the repair or maintenance of the electrical equipment.
- 2. EKPC, on behalf of Shelby Energy Cooperative, will install, own, and maintain the load management devices controlling the participant's air conditioner, heat pump, or water heater. The participant must allow Shelby Energy Cooperative, or their representative, reasonable access to install, maintain, inspect, test and remove load control devices. Inability of Shelby Energy Cooperative to gain access to the load management device to perform any of the above activities for a period exceeding 30 days may, at Shelby Energy Cooperative's option, result in discontinuance of credits under this tariff until such time as Shelby Energy Cooperative is able to gain the required access.
- 3. Participants may join the program at any time during the year. Participants with water heaters and/or pool pumps will receive the first annual incentive within 12 months after the installation of the load control device. Participants with air conditioning or heat pump units who join during the months of June through September can select an incentive alternative as described in this Tariff. If the bill credit incentive is selected, bill credits will not begin until after the installation of the load control device and continue for the months remaining in the June to September time period for that year.
- 4. If a participant decides to withdraw from the program or change incentive alternatives, Shelby Energy Cooperative will endeavor to implement the change as soon as possible.
- 5. If a participant decides to withdraw from the program, the participant may not apply to rejoin the program for a period of 6 months. Returning participants for air conditioning and heat pump units will be required to initially select the bill credit alternative, but may change alternatives later as described in this Tariff.

| DATE OF ISSUE June 30, 2009                                      | DATE LIBET TO BE VIGILIA ON MINES ON                  |
|--|---|
| ISSUED BY When Warten TITLE                                      | Hresident & Chief Executive Officer                   |
|  | 8/1/2009  |
| Issued by authority of an Order of the Public Service Commission | on of Kentle RSHANT TO 807 KAR 5:011<br>SECTION 9 (1) |
| Case No Dated  | SECTION 9(1)  |
|  | 1 11/6/6/   |
|  | By ly Lingur  |
|  | Executive Director                                    |
|  |   |

#### Section DSM - 3(b)

#### Direct Load Control Program - Commercial

#### **Purpose**

The Direct Load Control Program will encourage the reduction in growth of peak demand, enabling East Kentucky Power Cooperative ("EKPC") to utilize its system more efficiently, manage market purchases, and defer the construction of new generation.

#### Availability

This rate schedule is **not available** to Shelby Energy's members currently served under Rate 13 (Optional Residential, Church and School Service) as these members are currently receiving rate incentives for Shelby Energy's right to control these members' loads at some future date.

The Direct Load Control Program is available to commercial customers in the service territory of Shelby Energy Cooperative and will include the control of air conditioners and water heaters.

Availability may be denied where, in the judgment of Shelby Energy Cooperative, installation of the load control equipment is impractical.

#### **Eligibility**

To qualify for this Program, the participant must be located in the service territory of a Shelby Energy Cooperative and have a central air conditioning unit and/or a 40-gallon (minimum) electric water heating unit. The appliance may be electrically cycled or interrupted in accordance with the rules of this Tariff.

The participant is responsible for obtaining the permission of the commercial property owner to participate in the load control program. Shelby Energy Cooperative may require that a rental property agreement be executed between Shelby Energy Cooperative and the owner of the rented commercial property.

#### **Program Incentives**

| Shelby Energy Cooperative will provide an incentive to the following appliances. | Participants in this program for the ON OF KENTUCKY  EFFECTIVE  8/1/2009 |
|--|--|
| DATE OF ISSUE June 30, 2009 D  | ATE EFFERSIONET VALGOSTILAROGENT   |
| ISSUED BY Julie Martin TITLE I   | SECTION 9 (1)  resi  DEN  BEN  SECTION 9 (1)  COnfficer  COnficer        |
| Case No Dated  | √  |

Air Conditioners. The incentive will be based on the tonnage of the air conditioning unit. Units up to and including five tons will receive a monthly credit of \$5.00 per unit. Units over five tons will receive an additional monthly credit of \$1.00 per ton per unit. Shelby Energy Cooperative will credit the commercial power bill of the participant the applicable incentive credit during the months of June through September. The participant will receive the incentive regardless of whether the air conditioner is actually controlled during any program month.

Water Heaters. Shelby Energy Cooperative will credit the commercial power bill of the participant \$10.00 per water heater per year. The participant will receive this credit regardless of whether the water heater is actually controlled.

#### Time Period for Direct Load Control Program

Air Conditioners. A load control device will be placed on each central air conditioning unit that will allow the operating characteristics of the unit to be modified to reduce demand on the system. Communication to the load control device will be accomplished via AMR, AMI, or paging equipment.

EKPC will control the air conditioning units only during its summer on-peak billing hours listed below:

Months
May through September

Hours Applicable for Demand Billing - EST 10:00 a.m. to 10:00 p.m.

Water Heaters. A load control switch will be placed on the water heater and may be electrically interrupted for a maximum time period of four hours.

EKPC will cycle the water heaters only during the hours listed below.

<u>Months</u> October through April

May through September

Hours Applicable for Demand Billing - EST 6:00 a.m. to 12:00 noon

4:00 p.m. to 10:00 p.m. 10:00 a.m. to 10:00 p.m.

| DATE OF ISSUE June 30, 2009                                    | DATE EFFECTIVE: August 1, 2009             |
|--|--|
| ISSUED BY Julia Martin TITLE                                   | E President & Chief Exportive Offices SION |
| Issued by authority of an Order of the Public Service Commissi |  |
| Case No Dated  | 8/1/2009<br>PURSUANT TO 807 KAR 5:011      |
|  | SECTION 9 (1)                              |
|  | By W Executive Director                    |

#### Terms and Conditions

- 1. Prior to the installation of load control devices, Shelby Energy Cooperative may inspect the participant's electrical equipment to insure good repair and working condition, but Shelby Energy Cooperative shall not be responsible for the repair or maintenance of the electrical equipment.
- 2. EKPC, on behalf of Shelby Energy Cooperative, will install, own, and maintain the load management devices controlling the participant's air conditioner unit or water heater. The participant must allow Shelby Energy Cooperative, or their representative, reasonable access to install, maintain, inspect, test and remove load control devices. Inability of Shelby Energy Cooperative to gain access to the load management device to perform any of the above activities for a period exceeding 30 days may, at Shelby Energy Cooperative's option, result in discontinuance of credits under this tariff until such time as Shelby Energy Cooperative is able to gain the required access.
- 3. Participants may join the program at any time during the year. Participants with air conditioning who join during the months of June through September will receive bill credits beginning after the installation of the load control device and continuing for the months remaining in the June to September time period for that year. Participants with water heaters will receive the first annual incentive within 12 months after the installation of the load control device.
- 4. If a participant decides to withdraw from the program, Shelby Energy Cooperative will endeavor to implement the withdrawal as soon as possible. If a participant decides to withdraw from the program, the participant may not apply to rejoin the program for a period of 6 months.

| DATE OF ISSUE June 30, 2009  | ATELERFECTIVE VANCOUNT DISCOUNT                     |
|--|---|
|  |   |
| ISSUED BY Jelle Martine TITLE  | OF KENTUCKY<br>Fresident & Chief Hixecutive Officer |
| •  | 8/1/2009  |
| Issued by authority of an Order of the Public Service Commission Case No.  Dated |   |
| Case No Dated  | SECTION 9 (1)                                       |
|  | 1 11/6/6/   |
|  | By Ill MARINY                                       |
|  | Executive Director                                  |

FOR All Territory Served

Community, Town or City

P.S.C. No. 5

Original Sheet No. 103

| Shelby Energy Cooperative, Inc. |  |
|---------------------------------|--|
| Shelbyville, KY                 |  |

Name of Issuing Corporation

| CLASSIFICATION OF SERVICE   |          |            |    |                  |
|---|----------|------------|----|------------------|
| GENERAL SERVICE - RATE 11   |          |            |    | Rate<br>Per Unit |
| <u>AVAILABILITY</u>   |          |            |    |                  |
| Available for commercial, small power and non-residential purposes fighase and three phase loads below 50 kW, subject to the established Rules and Regulations.   | or s     | ingle      |    |                  |
| TYPE OF SERVICE:  |          |            |    |                  |
| Single phase and three phase, 60 Hertz, at available secondary volta  | ge.      |            |    |                  |
| MONTHLY RATE:   |          |            |    | (N)              |
| Consumer Facility Charge:<br>Single Phase Service<br>Three Phase Service  | \$       | 12.<br>32. |    |                  |
| Energy Charge per kWh:  | \$0      | 0.093      | 80 |                  |
| MINIMUM MONTHLY CHARGE:   |          |            |    |                  |
| The minimum monthly charge under this schedule shall be the consufacility charge. Where it is necessary to extend or reinforce existing facilities, the minimum charge may be increased to assure adequate compensation for added facilities. | <b>;</b> | ŗ          |    |                  |
| TERMS OF PAYMENT:   |          |            |    |                  |
| The above rates are net; the gross rates are 10% higher. In the ever current monthly is not paid by the due date as shown on the bill, the gross rate slapply.  |          | e          |    |                  |

| DATE OF ISSUE | December 31, 2009 | DATE EFFECTIVE; | February 1, 2010 |  |
|---------------|-------------------|-----------------|------------------|--|
| 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.

Original Sheet No.

104

| Shelby Energy   |   | erati | ve, In | c. |  |  |
|-----------------|---|-------|--------|----|--|--|
| Shelbyville, KY |   |       |        |    | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, |  |
|                 | _ |       | . –    |    |  |  |

Name of Issuing Corporation

| CLASSIFICATION OF SERVICE  |                  |  |  |
|--|------------------|--|--|
| GENERAL SERVICE - RATE 11  | Rate<br>Per Unit |  |  |
| 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 807 KAR 5:056.   | (N)              |  |  |
| Motors having a rated capacity in excess of ten horsepower (10HP) must be three-phase. Motors in excess of five horsepower (5HP) shall be provided with compensating starting equipment acceptable to the Seller.  TEMPORARY SERVICE:  Consumers requiring temporary service under this rate may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover the estimated consumption of electricity. Both fees will be paid in advance. |                  |  |  |

| DATE OF ISSUE | December 31, 2009 | DATE EFFECTIVE; | February 1, 2010 |
|---------------|-------------------|-----------------|------------------|
| ISSUED BY     | Name of Officer   | TITLE:          | President & CEO  |

| Form | for | filing | Rate | Sch | edule |
|------|-----|--------|------|-----|-------|
|------|-----|--------|------|-----|-------|

FOR

All Territory Served
Community, Town or City

5 105

P.S.C. No. Original Sheet No.

Shelby Energy Cooperative, Inc.
Shelbyville, KY

Name of Issuing Corporation

| CLASSIFICATION OF SERVICE   |                  |  |  |
|---|------------------|--|--|
| RESIDENTIAL SERVICE - RATE 12   | Rate<br>Per Unit |  |  |
| AVAILABILITY  |                  |  |  |
| Available for residential homes for loads below 50 kW, subject to the established Rules and Regulations   |                  |  |  |
| TYPE OF SERVICE:  | (N)              |  |  |
| Single phase service for residential dwellings.   |                  |  |  |
| MONTHLY RATE:   |                  |  |  |
| Consumer Facility Charge: \$ 9.75 Energy Charge per kWh: \$ 0.09308   |                  |  |  |
| MINIMUM MONTHLY CHARGE:   |                  |  |  |
| The minimum monthly charge under this schedule shall be the consumer facility charge. Where it is necessary to extend or reinforce existing facilities, the minimum charge may be increased to assure adequate compensation for added facilities. |                  |  |  |
| TERMS OF PAYMENT:   |                  |  |  |
| The above rates are net; the gross rates are 10% higher. In the event the current monthly is not paid by the due date as shown on the bill, the gross rate shall apply.   |                  |  |  |

| DATE OF ISSUE | December 31, 2009 | DATE EFFECTIVE; | February 1, 2010 |  |
|---------------|-------------------|-----------------|------------------|--|
| 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

Original Sheet No. 106

Shelby Energy Cooperative, Inc. Shelbyville, KY

Name of Issuing Corporation

| CLASSIFICATION OF SERVICE   |                  |
|---|------------------|
| RESIDENTIAL SERVICE - RATE 12   | Rate<br>Per Unit |
| FUEL ADJUSTMENT CLAUSE:  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 | (N)              |
| to all other applicable provisions as set out in 807 KAR 5:056.  SPECIAL RULES;  Motors having a rated capacity in excess of ten horsepower (10HP) must be three-phase. Motors in excess of five horsepower (5HP) shall be provided with compensating starting equipment acceptable to the Seller.  |                  |
| TEMPORARY SERVICE:  Consumers requiring temporary service under this rate may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover the estimated consumption of electricity. Both fees will be paid in advance.                     |                  |
|   |                  |

| DATE OF ISSUE | December 31, 2009 | DATE EFFECTIVE; | February 1, 2010 |  |
|---------------|-------------------|-----------------|------------------|--|
| SSUED BY      |                   | TITI F∙         | President & CEO  |  |
| 330ED D1      |                   |                 | Tresident & CLO  |  |
|               | Name of Officer   |                 |                  |  |

Shelby Energy Cooperative, Inc.

## ADOPTION NOTICE

| The undersigned SHELBY ENERGY COOPERATIVE, INC.   |
|---|
| (Name of Utility) System  |
| of Shelbyville, KY 40065 hereby adopts, ratifies, and makes its own, in   |
| every respect as if the same had been originally filed and posted by it, all tariffs and  |
| supplements containing rates, rules and regulations for furnishing  |
| electricity service at certified territory  |
| (Nature of Service)   |
| in the Commonwealth of Kentucky, filed with the Public Service Commission of Kentucky   |
| bySHELBY RURAL ELECTRIC COOPERATIVE CORPORATION   |
| (Name of Predecessor)   |
| of Shelbyville, KY 40065 and in effect on the 4th day of -  |
| June , 19 97, the date on which the public service business of the said   |
| SHELBY RURAL ELECTRIC COOPERATIVE CORPORATION   |
| (Name of Predecessor)   |
| was taken over by it.   |
| This notice is issued on the 11th day of June , 19 97, in conformity  |
| with 807 KAR 5:011, Section 11, of the Regulations for the filing of Tariffs of Public Utilities                                    |
| with the Public Service Commission of Kentucky.  PUBLIC SERVICE COMMISSION  OF KENTUCKY  EFFECTIVE  SHELBY ENERGY COOPERATIVE, INC. |
| JUN 04 1997  PURSUANT TO 807 KAR 5011.  BY: Stephan Buy  Authorized by K. P. S. COMMISSION NO.                                      |

P.S.C. Ky No.

8

Cancels P.S.C. Ky No.

7

SHELBY ENERGY COOPERATIVE, INC.

of

SHELBYVILLE, KENTUCKY 40065

#### RATES, RULES AND REGULATIONS FOR FURNISHING

at

Counties of:

Shelby, Henry, Trimble, Carroll, Owen, Franklin,

Oldham, Jefferson, Spencer, and Anderson

## Filed with PUBLIC SERVICE COMMISSION OF KENTUCKY

Issued

June 11, 1997

Effective

June 4, 1997

PUBLIC SERVICE COMMISSION OF KENTUCKY
- EFFECTIVE

Issued By Shelby Energy Cooperative, Inc.

(Name of Utility)

JUN 04 1997

Ву

PURSUANT TO 807 KAR 5:011.

President and General Manager

|          |             |   | FOR  | All Territory   | Served       |
|----------|-------------|---|--|---|--------------|
|          |             |   | P.S.C. No.   | 8   |              |
| <u> </u> | alby Eng    | orgy Cooperative, Inc.  | 1st Revised  | SHEET NO.   | 1            |
|          | -           | , Kentucky  | CANCELLING F   | P.S.C. NO   | 8            |
| -        |             | Name of Issuing Corporation   |  |   |              |
|          |             | DIN EQ AND DEGUN ATIONS   | Original   | SHEET NO.   | 1            |
| -        | <del></del> | RULES AND REGULATIONS   |  |   |              |
|          | 1.          | SCOPE   |  |   |              |
|          | (T)         | This schedule of Rules and Regulations is hereby made a pareceived from Shelby Energy Cooperative Inc., hereinafter applies to all service received, whether such service is based application, or otherwise. No employee or director of the Coexception to rates and rules. Regulations are on file at the Cobtained there from Cooperative personnel. All Rules and last they do not conflict with Public Service Commission Rules. | referred to as the Coope<br>d upon a contract, agree<br>ooperative is permitted<br>Cooperative's office and<br>Regulations shall be in | erative, and<br>ement, signed<br>to make an<br>I can be |              |
|          | 2.          | REVISIONS   |  |   |              |
| •••      | (T)         | These Rules and Regulations may be revised, amended, sup<br>from time to time after approval by Shelby Energy Coopera<br>Public Service Commission. Such changes, when effective<br>present Rules and Regulations.  | tive, Inc.'s Board of Di   | rectors and th  | ne           |
|          | 3.          | SERVICE AREA  |  |   |              |
|          |             | The Cooperative furnishes electric power supplied in portion Carroll, Oldham, Franklin, Owen, Spencer, Anderson, and J  |  | rimble,   |              |
|          | 4.          | AVAILABILITY  |  |   |              |
|          |             | Available to all members of the Cooperative as specified in service.  | the tariff sheets and cla  | Issifications of ICE COMMISSION                         | of           |
|          | 5.          | AVAILABILITY OF SERVICE TO DELINQUENT MEM   |  |   |              |
|          |             | If an application is received by a person residing with a deli<br>where power was supplied to the delinquent member, the ap<br>grounds that the applicant is applying as the agent of the del   | nquent member at the population will be denied   |   | ) <b>i</b> i |

DATE OF ISSUE: January 13, 1998 EFFECTIVE DATE: February 13, 1998

ISSUED BY: President & General Manager Shelbyville, KY 40065

Name of Officer Title Address

|  | FOR        | All Territory |   |
|--|------------|---------------|---|
|  | P.S.C. No. | 8             |   |
|  | Original   | SHEET NO.     | 2 |
| ત્ર્યhelby Energy Cooperative, Inc.<br>ાnelbyville, Kentucky | CANCELLING | P.S.C. NO.    | 7 |
| Name of Issuing Corporation                                  |            | _             |   |
|  |            | SHEET NO.     |   |
| RULES AND REGULATIONS  |            |               |   |

### 6. EASEMENTS

Each member, together with his/her spouse and all other real estate title owners, shall grant or convey to the Cooperative, without cost, any permanent easements reasonably required by the Cooperative to provide electric service to that member for the installation, maintenance, and operation of the Cooperative's electrical distribution system, both existing and future, with right of ingress and egress for these purposes over the Member's property, provided such electrical distribution system is located on real estate owned, rented, or otherwise controlled by the member. The failure or refusal to convey such easements shall constitute grounds for discontinuing service.

#### 7. RIGHT OF ACCESS

Each member shall, at the time of application provide the Cooperative with permits or shall sign right-of-way easements furnished by said Cooperative. The Cooperative shall at all reasonable hours have access to meters, service connections, and other property owned by it and located on the consumer's premises for purposes of placing, locating, building, constructing, operating, replacing, rebuilding, relocating, repairing, improving, enlarging, extending, and maintaining on, over, or under such lands and premises, or removing therefrom its electrical distribution system, new or existing lines, wires, poles, anchors, and other necessary parts.

Any employee or agent of the Cooperative whose duties require him/her to enter the consumer's (premises shall wear a distinguishing uniform or insignia, identifying him/her as an employee of the Cooperative, or carry on his/her person a badge or other identification which will identify them as an employee or agent of the Cooperative, the same to be shown upon request.

#### 8. NO PREJUDICE OF RIGHTS

Failure by the Cooperative to enforce any of the terms of these Rules and Regulations shall not be deemed as a waiver of the right to do so.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 04 1997

All Territory Served

EOD

|                |                 |                             | PURSUANT TO 807 KAR 5.011. |
|----------------|-----------------|-----------------------------|----------------------------|
| DATE OF ISSUE: | June 11, 1997   | EFFECTIVE DATE:             | SECTION 9(1)               |
| ISSUED BY:     | Dadl Bitton Dr  | President & General Manager | BY: SPEPANNO BUU           |
| ,              | Name of Officer | Title                       | Address                    |

|                                 | FOR          | All Territory | Served |
|---------------------------------|--------------|---------------|--------|
|                                 | P.S.C. No.   | 9             |        |
|                                 | 1st Revised  | SHEET NO.     | 3      |
| Thelby Energy Cooperative, Inc. | CANCELLING P | .s.c. no.     | 8      |
| Name of Issuing Corporation     |              |               |        |
|                                 | Original     | SHEET NO.     | 3      |
| RULES AND REGULATIONS           |              |               |        |

## 9. APPLICATION OF ELECTRIC SERVICE

Each prospective member and/or spouse desiring electric service will be required to sign the Cooperative's form of "Application for Membership and Electric Service". Also, where applicable, the prospective consumer must sign a contract pertaining to their particular service. The prospective consumer must provide the Cooperative with all necessary electrical permits and fully executed right-of-way easements for his/her property, and all necessary load information at the time of application for service. The consumer may be required to furnish his/her Social Security number, phone number, permanent address, place of employment, and name of spouse.

#### 10. (T) MEMBERSHIP

- (T) No member may hold more than one membership in the Cooperative. Discontinuance of service
- (T) will automatically terminate membership. Membership is not transferable from one member to
- (T) another.

#### 11. CONTINUITY OF SERVICE

The Cooperative shall use reasonable diligence to provide a constant and uninterrupted supply of electrical power and energy, but if such a supply should fail or be interrupted or become defective through an act of God, or the public enemy, or by accident, strikes or labor troubles, or by action of the elements, or other permits needed, or for any other cause beyond the reasonable control of the Cooperative, the Cooperative shall not be liable.

#### 12. NON-STANDARD SERVICE

The member or consumer shall pay the cost of any special installation necessary to meet his/her requirements for service at other than standard voltage, or for the supply of closer voltage regulation than required by standard practices.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

OCT 23 1997

| And the second s |                    |  |
|--|--------------------|--|
| DATE OF ISSUE:   | September 23, 1997 | EFFECTIVE BATENT TO 807 KAR 50123, 1997              |
| ISSUED BY:   | Dudley Botton, J.  | President & General Managerhan Shelbyville, KY 40065 |
|  | Name of Officer    | Title CONTROL OF THE CONTROL Address                 |

|   |  | FOR        | All Territory | Served |
|---|--|------------|---------------|--------|
|   |  | P.S.C. No. | 8             |        |
|   | PUBLIC SERVICE COMMISSION                        | Original   | SHEET NO.     | 4      |
| ન્યાelby Energy Cooperative, Inc.<br>ાelbyville, Kentucky | OF KENTŲCKY<br>EFFECTIVE                         | CANCELLING | P.S.C. NO.    | 7      |
| Name of Issuing Corporation                               | JUN 04 1997                                      |            | SHEET NO.     |        |
| RULES   | AND REGULARITE SOZKAR 5:011.                     |            |               |        |
|   | BY: STEPHAND BULL<br>SECRETARY OF THE COMMISSION |            |               |        |

#### 13. BILLING

The Cooperative's billing period and billing procedures are as specified in the applicable rate schedule/tariff for electric service. Failure to receive the bill will not release the consumer from payment obligation.

#### 14. DEPOSITS

The Cooperative may require a minimum cash deposit or other guaranty to secure payment of bills except for consumers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection. Service may be refused or discontinued for failure to pay the requested deposit. Interest, as prescribed by KRS 278.460, will be paid annually either by refund or credit to the consumer's bill, except that no refund or credit will be made if the consumer's bill is delinquent on the anniversary date of the deposit.

The deposit may be waived upon a consumer's showing of satisfactory credit or payment history, and required deposits will be returned after one (1) year if the consumer has established a satisfactory payment record for that period. If a deposit has been waived or returned and the consumer fails to maintain a satisfactory payment record, a deposit may then be required. The Cooperative may require a deposit in addition to the initial deposit if the consumer's classification of service changes or if there is a substantial change in usage. Upon termination of service, the deposit, any principal amounts, and any interest earned and owing will be credited to the final bill with any remainder refunded to the consumer.

Residential/Commercial consumer's deposit shall be based upon actual usage of the consumer at the same or similar premises for the most recent 12-month period, if such information is available. If usage information is not available, the deposit will be based on the average bills of similar consumers and premises in the system. The deposit amount shall not exceed 2/12 of the consumer's actual or estimated annual bill where bills are rendered monthly.

In determining whether a deposit will be required or waived, the following criteria will be considered:

| <u> </u>       |                 |                             |                       |
|----------------|-----------------|-----------------------------|-----------------------|
| DATE OF ISSUE: | June 11, 1997   | EFFECTIVE DATE:             | June 4, 1997          |
| ISSUED BY:     | Dudle Botton J. | President & General Manager | Shelbyville, KY 40065 |
|                | Name of Officer | Title                       | Address               |

|                       |                                |   |   | FOR   | All Territory                               | Served                            |
|-----------------------|--------------------------------|---|---|---|---|-----------------------------------|
|                       |                                |   |   | P.S.C. No.                                  | . 9   |                                   |
|                       |                                |   |   | 1st Revised                                 | SHEET NO.                                   | 5                                 |
| helby Er<br>helbyvill |                                | ooperative, Inc.<br>ucky  |   | CANCELLING I                                | P.S.C. NO.                                  | 8                                 |
|                       | Na                             | ame of Issuing Corporation  |   | Original                                    | _ SHEET NO                                  | 5                                 |
|                       |                                | RULES   | AND REGULATIONS   |   |   |                                   |
| 14.                   | DEP                            | OSITS (continued)   |   |   |   |                                   |
|                       | 1.                             |   | th the Cooperative. If the constents from other utilities, banks,   |   |   |                                   |
|                       | 2.                             |   | established income or line of   | credit.                                     |   |                                   |
|                       | 3.                             | Length of time the consumer   | has resided or been located in  | the area.                                   |   |                                   |
|                       | 4.                             | Whether the consumer owns   |   |   |   |                                   |
|                       | 5.                             |   | led bankruptcy proceedings with   |   |   |                                   |
|                       | 6.                             | for an amount equal to the re-  | rith a good payment history is wanted deposit   | withing to si                               | gn as a guar                                | antor                             |
| (T)                   | 7.                             |   | quired deposit.<br>itisfactory credit record and rat  | ing as repor                                | ted by credi                                | t                                 |
| (-)                   |                                | bureaus/agencies.   |   | Ų I   |   |                                   |
| (T)                   | 8.                             | ——————————————————————————————————————  | n found to have previously div  | erted or tan                                | npered with                                 |                                   |
|                       | reque<br>recal<br>cons<br>chec | deposit is held longer than 18 modest based on the consumer's actuated amount by more than \$1 umer, the Cooperative may colle k or credit to the consumer's billing time of the recalculation. | nal usage. If the deposit on acc<br>10.00 for a residential consume<br>ect any underpayment and shall   | ount differs<br>r or 10% fo<br>l refund any | from the<br>r a non-resid<br>overpayme      | dential<br>ent by                 |
| 15.                   | LEV                            | ELIZED (BUDGET) BILLING   | t   |   | ,   |                                   |
|                       |                                | elized/Budget Billing is available ach account is determined by:  | e to all residential customers.   | The Leveliz                                 | ed Payment                                  | Plan                              |
|                       | 1.                             |   | vice with twelve (12) month's nonth's usage will be totaled.  | usage histo                                 | ry, the charg                               | ges for                           |
|                       |                                | monthly charges for t<br>equal twelve (12) con<br>history is available, th  | ess than twelve (12) month's usage plus monthly charges from the secutive month's usage will be the remaining month's charges will the electric needs of the service. | m previous<br>totaled. If<br>will be        | usage histor                                | y to<br>s usage<br>MMISSION<br>KY |
| DATE OF               | ISSUE                          | : September 26, 2001  | EFFECTIVE DATE:   | Oc  | tale 72200/                                 | 2001                              |
| SSUED                 | BY:                            | Dudy Better On Name of Officer  | President and CEO   | Shall                                       | 943/14-147649<br>1944-147649<br>1944-147649 | 777                               |

PURSUANT TO BUT THE STATE OF THE COMMISSION

|     |         |                        |             |                                       |   | FOF                               | t                        | All Territory             | Served |
|-----|---------|------------------------|-------------|---------------------------------------|---|-----------------------------------|--------------------------|---------------------------|--------|
|     |         |                        |             |                                       |   | P.S.                              | C. No.                   | 8                         |        |
|     |         | ergy Cooperative, Inc. |             |                                       | PUBLIC SERVICE COMMIS   | SION Or                           | iginal                   | SHEET NO.                 | 6      |
|     | -       | gy Cool<br>Kentuci     |             | , Inc.                                | OF KENTUCKY<br>EFFECTIVE  |                                   | ICELLING P               | .s.c. no                  | 7      |
|     |         | Name                   | of Issuing  | g Corporation                         | JUN 04 1997   | -                                 |                          | SHEET NO.                 |        |
|     |         |                        |             | RULES                                 | S ANDURSEAN HATOPAS 5.0   | 11.                               |                          |                           |        |
|     | 15.     | LEVI                   | ELIZED      | (BUDGET) BIL                          | BY: <u>Stephan()</u> Buy<br>LING SEBTIATION COMMISSION  | )N                                |                          |                           |        |
|     |         | 1.                     | A.          | twelve (12) constotaled. If no pr     | ners connecting to an establi<br>secutive month's usage from<br>revious usage history is avai<br>based on the electric energy | n previous usa<br>lable, the char | ge history<br>ges will b | will be<br>e estimated    | by     |
|     |         |                        |             | ll be estima location.                | ted   |                                   |                          |                           |        |
| (   | for the |                        |             |                                       | tal by twelve (12). This among the Accounts with estimated passage indicates that the accomount.                              | ayments will b                    | e monito                 | red monthly               | ,      |
|     |         |                        | C.          | of charges added having a catch-u     | twelfth (12th) month of chad, keeping a twelve (12) moup month. Estimated account a indicates that the account unt.           | onth current avoits will be more  | verage, the              | ereby never<br>onthly and |        |
|     |         | 2.                     |             | •                                     | reflect the actual amount of uding the current amount to  | •                                 | d and the                | status of the             | e      |
|     |         | 3.                     |             | U                                     | ke monthly payments when any, will be due and payabl  | _                                 | eement w                 | vill be voide             | d      |
|     |         | 4.                     |             | -                                     | in effect until canceled by t<br>make payments as outlined  |                                   | or the Coo               | operative or              | by     |
|     | 16.     | PAR                    | TIAL PA     | AYMENT PLAN                           |   |                                   |                          |                           |        |
| _   |         |                        |             | · · · · · · · · · · · · · · · · · · · | pay their bills may come to tartial payment plan and rete   |                                   |                          |                           |        |
| DAT | E OF IS | SUE:                   | <del></del> | June 11, 1997                         | EFFECTIVE   | DATE:                             | June 4,                  | 1997                      |        |

President & General Manager
Title

**ISSUED BY:** 

Shelbyville, KY 40065

Address

|                                |   | FOR        | All Territory | Served |
|--------------------------------|---|------------|---------------|--------|
|                                |   | P.S.C. No. | 8             |        |
|                                |   | Original   | SHEET NO.     | 7      |
| helby Energy Cooperative, Inc. | PUBLIC SERVICE COMMISSION<br>OF KENTUCKY<br>EFFECTIVE | CANCELLING | P.S.C. NO.    | 7      |
| Name of Issuing Corporation    |   |            |               |        |
|                                | JUN 04 1997   |            | SHEET NO      |        |
| RULE                           | ES AND REGULATIONS PURSUANT TO 807 KAR 5:011.         |            |               |        |
|                                | SECTION 9 (1)   |            |               |        |

# 16. PARTIAL PAYMENT PLAN (continuest DRETARY OF THE COMMISSION

appear in person within the ten (10) day notice period to negotiate the partial payment plan to avoid collection of the bill or disconnection of the service.

The Cooperative shall negotiate and accept reasonable partial payment plans. The partial payment plan shall be mutually agreed upon and permit the consumer to become current in payment of the account within a timely manner. Should the partial payment plan extend for a period of longer than 30 days, the plan must be in writing and signed by the consumer. In addition to the payment of the current bill, the consumer may be offered an option of payment arrears by one (1) payment per month or more than one (1) payment per month. The consumer will be allowed to make additional payments or larger payments, at any time, in order to become current. The Cooperative will not negotiate a partial payment plan with a consumer who is delinquent under a previous partial payment plan.

#### 17. CERTIFICATE OF NEED FROM DEPARTMENT FOR SOCIAL INSURANCE

Upon written certification from one of the Kentucky Department for Social Insurance offices, a consumer who is eligible for energy assistance under the Department's guidelines or is certified as being in genuine financial need, defined as any household with gross income at or below 130% of the poverty level, and who has been given a ten (10) day notice for nonpayment of his/her electric bill rendered between November 1 and March 31 and who presents such notice to the Department for Social Insurance, shall be allowed thirty (30) days in addition to such ten (10) day notice period in which to negotiate a partial payment plan with Shelby Energy provided such certification is delivered to Shelby Energy during the initial ten (10) day notice period by the applicant in person, by his/her agent, by mail, or by telephone call from an employee of the Department of Social Insurance. The thirty (30) day period shall begin to run at the end of the tenth day of the ten (10) day period.

When the consumer exhibits good faith by offering to make a present payment commensurate with his or her ability to do so and by agreeing to a repayment schedule which would permit the consumer to become current in the payment of his or her electric bill in a timely manner but no later than October 15, Shelby Energy will accept such partial payment plan. Shelby Energy

| _              |                 |                             |                       |
|----------------|-----------------|-----------------------------|-----------------------|
|                |                 |                             |                       |
| DATE OF ISSUE: | June 11, 1997   | EFFECTIVE DATE:             | June 4, 1997          |
| ISSUED BY:     | Dudle Botton Ja | President & General Manager | Shelbyville, KY 40065 |
|                | Name of Officer | Title                       | Address               |

|   |   | FOR        | All Territory | Served |
|---|---|------------|---------------|--------|
|   | PUBLIC SERVICE COMMISSION                   | P.S.C. No. | 8             |        |
|   | OF KENTUCKY<br>EFFECTIVE                    | Original   | SHEET NO.     | 8      |
| helby Energy Cooperative, Inc.<br>elbyville, Kentucky | JUN 04 1997                                 | CANCELLING | P.S.C. NO.    | 7      |
| Name of Issuing Corporation                           | PURSUANT TO 807 KAR 5:011,<br>SECTION 9 (1) |            | SHEET NO      | ·      |
| RULES   | AND BYE CO ROCK OF THE COMMENTER            |            |               |        |

#### 17. CERTIFICATE OF NEED FROM DEPARTMENT FOR SOCIAL INSURANCE (continued)

will also inform the consumer on the reverse side of the (10) day notice of the telephone number and address of the nearest office of the Kentucky Cabinet for Human Resources, Department of Social Insurance.

#### 18. LOCATION OF METERS

Meters shall be easily accessible for reading, testing, and making necessary adjustments and repairs and shall be located at a site designated by Shelby Energy.

#### 19. MONITORING OF CONSUMER USAGE

If a customer is discovered to have an unusual deviation in his/her monthly usage, the Cooperative will contact that customer to investigate that unusual deviation and offer energy auditing services to assist in determining the source of the deviation.

The Cooperative utilizes computer programs to flag unusual deviations in a consumer's usage on consumer accounts. KWH readings are also compared to the previous month's reading to assure that the new reading is at least greater than the previous reading. Any extremely large variations are also marked at this time.

The computer programs used to monitor unusual deviations are:

- A. Data Entry Exception History: Immediately upon completion of data entry of new kWh readings, an exception listing appears which flags any readings that do not conform to previously set standards. Those standards are:
  - 1. Attempt to enter a five digit reading to an account where only a four dial meter is installed.
  - 2. A reading which would generate a bill for over 5,000 kWh for all accounts.
  - 3. A reading which is lower than the previous month's reading.

| <u></u>                                 |                 |                             |                       |
|---|-----------------|-----------------------------|-----------------------|
| DATE OF ISSUE:                          | June 11, 1997   | EFFECTIVE DATE:             | June 4, 1997          |
| ISSUED BY:                              | P. Il R. H. ()  | President & General Manager | Shelbyville, KY 40065 |
| 100000000000000000000000000000000000000 | Name of Officer | Title                       | Address               |

|                     |   |  | FOR   | All Territory S                         | Served |
|---------------------|---|--|---|---|--------|
|                     |   | PUBLIC SERVICE COMMISSION<br>OF KENTUCKY   | P.S.C. No.  | 8                                       | ·      |
| Obalba Eman         | The Cooperative Inc   | EFFECTIVE  | Original  | SHEET NO.                               | 9      |
| relbyville,         | gy Cooperative, Inc.<br>Kentucky  | JUN 04 1997  | CANCELLING P                                      | .s.c. No.                               | 7      |
|                     | Name of Issuing Corporation   | PURSUANT TO 807 KAR 5:011,<br>SECTION 9 (1)  |   | SHEET NO.                               |        |
|                     | RULES AND   | REGLERATIONS BU  |   |   |        |
| 19.                 | MONITORING OF CONSUMER U  |  |   |   |        |
|                     | report is run which flags any i   | Before the monthly bill calcula readings which would generate a e of the three preceding months            | a bill for usag                                   | e 50% higher                            | r      |
|                     | If an unusual deviation cannot be read document is checked to determine ca  | •  | anch error, the                                   | e source                                |        |
|                     | If the cause for unusual deviation can is dispatched to obtain a new reading entered to determine variance.   |  |   |   | r      |
| 20.                 | RECONNECTION CHARGE   |  |   |   |        |
|                     | When service has been disconnected<br>Cooperative is requested to reconnect<br>will be charged if reconnected outside   | t at the same location, a fifty dol  | lar (\$50.00) r                                   | econnect fee                            | (I)    |
| 21.                 | COLLECTION OF DELINQUENT.   | ACCOUNTS   |   |   |        |
| <sup>\$</sup> 30,00 | Should it become necessary for the Copremises for collection of a delinquer dollars (\$25.00) assessed if service is payment arrangements are made. The charge will be due and payable at the | nt account there may be a service<br>terminated, the bill is paid in the<br>e charge can only be made once | e call charge of the course of the in a billing p | of <del>twenty-fiv</del><br>ne trip, or |        |
|                     | In the event a member is disconnecter reconnection during regular working collected. After regular working hou (\$75.00).   | hours, a fifty-dollar (\$50.00) ser  | rvice call char<br>e seventy-five                 | rge shall be                            | E)     |
| DATE OF IS          | SUE: June 11, 1997  | EFFECTIVE DATE:  | June 4,   | 1997                                    |        |
| ISSUED BY:          | 0 -10 - 1   | President & General Manager  | Shelbyville, h                                    |   |        |
|                     | Name of Officer   | Title  |   | Address                                 |        |

|  |                             | FOR                   | All Territory | Served |
|--|-----------------------------|-----------------------|---------------|--------|
|  |                             | P.S.C. No.            | 8             |        |
|  | PUBLIC SERVICE COMMISSION   | Original              | SHEET NO.     | 10     |
| nelby Energy Cooperative, Inc.<br>nelbyville, Kentucky<br>Name of Issuing Corporation<br>RULES | OF KENTUCKY<br>EFFECTIVE    | CANCELLING P.S.C. NO. |               | 7      |
| Name of Issuing Corporation  | JUN 04 1997                 |                       | SHEET NO.     |        |
| RULES  | ANDURBUGUILLO BUO NA 5:011. |                       |               | ,      |
|  | BY: Stephano Bu             |                       |               |        |

## 22. CHECKS RETURNED - UNHONORED BY BEAUCOMMISSION

When a check received in payment of a consumer's account is returned unpaid by the bank for any reason, the Cooperative will notify such consumer by letter, stating the amount of the check and reason for its return. Returned checks will then be considered the same as a delinquent account, and if payment in full is not received for the check within ten (10) business days after notification, service may be discontinued as prescribed under the section of Rules #16, #17, #21, and #25 dealing with unpaid accounts. A \$10.00 service charge shall be added to all returned unhonored checks. The Cooperative shall have the right to refuse to accept checks in payment of an account from any consumer that has demonstrated poor credit risk.

#### 23. TAMPERING

If meters or other property belonging to the Cooperative are tampered or interfered with, the consumer being supplied through such equipment shall pay the amount which the Cooperative may estimate is due for service rendered, but not registered on the Cooperative's meter and for such replacement and repairs as are necessary, as well as for costs of inspection, investigation, and protective installations.

#### 24. NOTICE OF TROUBLE

The consumer shall give immediate notice at the office of the Cooperative of any interruption or irregularities or unsatisfactory service and of any defects known to the consumer.

The Cooperative may, as it deems necessary, suspend supply of electrical energy to any consumer or consumers for the purpose of making repairs, changes or improvements upon any part of its system.

#### 25. DISCONTINUANCE AND REFUSAL OR TERMINATION OF SERVICE

Any member desiring service discontinued or changed from one address to another shall give the Cooperative three (3) days' notice, in person, writing, or telephone, provided such notice does not violate contractual obligations or tariff provisions. The consumer shall not be responsible for charges for service beyond the three (3) day notice period if the consumer provides reasonable

| DATE OF ISSUE: | June 11, 1997   | EFFECTIVE DATE:             | June 4, 1997          |
|----------------|-----------------|-----------------------------|-----------------------|
| ISSUED BY:     | Dudle Botton In | President & General Manager | Shelbyville, KY 40065 |
|                | Name of Officer | Title                       | Address               |

| PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE  JUN 0 4 1997  RULES AND REGULATIONS. SECTION 9 (1) BY: Stephan But AND REFERENT OR THE COMMISSION ong the notice period. If the consumer thone, the burden of proof is on the code of a dispute arises.  If use or discontinue to serve an application of the consumer of a point of the consumer of a point of the consumer or application of the consumer o | cant or consumer under the Coope icant for violation of consumer the cort to induce the corts filed with the Public perative, service management of the corts of  | ontinued) of their request at service der the rative shall not f its Rules and assumer or lic Service   |
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| SECTION 9 (1)  BY: SHOW BUT  ND REFERENCE THE CONSUMER  and the notice period. If the consumer  shone, the burden of proof is on the consumer  and if a dispute arises.  The fuse or discontinue to serve an application of the consumer of th | cant or consumer under the Coope icant for violation of consumer the Coope icant for violation of the corps filed with the Publipperative, service management of the corps filed with the Publipperative, service management of the corps filed with the Publipperative, service management of the corps filed with the Publipperative, service management of the corps filed with the Publipperative, service management of the corps filed with the public that the corps filed with the public perative, service management of the corps filed with the corps filed with the corps filed with the public perative, service management of the corps filed with the public perative, service management of the corps filed with the corps filed with the public perative, service management of the corps filed with the corps filed with the public perative, service management of the corps filed with the corps filed  | of their request at service der the rative shall not f its Rules and asumer or lic Service ay be  |
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| hone, the burden of proof is on the content of a dispute arises.  If use or discontinue to serve an applicance with its Rules and Regulations. It is service to any consumer or applications of the first having made reasonable effectly with the Rules and Regulations and   | cant or consumer un<br>However, the Coope<br>icant for violation of<br>ort to induce the corts filed with the Pub<br>operative, service ma   | der the  rative shall not f its Rules and asumer or lic Service ay be   |
| nce with its Rules and Regulations. If the service to any consumer or applace to a first having made reasonable efforts ply with the Rules and Regulations a   | However, the Coope icant for violation o ort to induce the cors filed with the Puboperative, service ma  | rative shall not f its Rules and nsumer or lic Service ny be  |
| fuse service to any consumer or appl<br>nout first having made reasonable effortions and Regulations a   | icant for violation of<br>ort to induce the cor<br>is filed with the Pub<br>operative, service ma  | f its Rules and sumer or lic Service sy be  |
| fter such effort on the part of the Coorefused only after the member shall he such intention, mailed to his/her last   | ~  | east ten (10) days  |
| us condition is found to exist on the rebe discontinued without notice or reference or applicant immediately of the representative action to be taken by them  | used, provided that easons for the disco   | the Cooperative ntinuance or  |
| fuse service only after the consumer   | neter reading, mainte<br>agents of the Coope<br>or applicant shall ha  | enance, or<br>rative may  |
| cooperative for service furnished unti   |  |   |
| e<br>)<br>e<br>C   | efuse service only after the consumer ) days written notice of such intention e may not furnish service to any applic  | Cooperative's property, employees or agents of the Coope efuse service only after the consumer or applicant shall had also written notice of such intention.  The may not furnish service to any applicant when such applicative for service furnished until such applicant shat negotiated a satisfactory agreement. |

Officer /

ISSUED BY:

Shelbyville, KY 40065

Title

President & General Manager

Address

|   | FOR                   | All Territory | Served |
|---|-----------------------|---------------|--------|
|   | P.S.C. No.            | 8             |        |
|   | 1st Revised           | SHEET NO.     | 12     |
| nelby Energy Cooperative, Inc.<br>Shelbyville, Kentucky | CANCELLING P.S.C. NO. |               | 8      |
| Name of Issuing Corporation                             |                       |               |        |
|   | Original              | _SHEET NO     | 12     |
| DUI TO AND DEGULATIONS                                  |                       |               |        |

#### RULES AND REGULATIONS

- 25. DISCONTINUANCE AND REFUSAL OR TERMINATION OF SERVICE (continued)
  - E. The Cooperative may refuse or discontinue service to a member or applicant if the consumer or applicant does not comply with state, county, or other codes, rules, and regulations applying to such service.
  - F. THE COOPERATIVE MAY DISCONTINUE SERVICE UNDER THE FOLLOWING CONDITIONS:

For non-payment of bills. However, the Cooperative shall not discontinue service to any member for non-payment of bills (including extra charges) without first having made reasonable effort to induce the member to pay same. The consumer shall be given at least ten (10) days written notice, but the disconnect shall not be effective for twenty-seven (27) days after the mailing date of the original bill. Such termination notice shall be exclusive of and separate from the original bill. If, prior to discontinuance of service, there is delivered to the Cooperative office or to its employees empowered to discontinue service, payment of the amount in arrears, the discontinuance of service shall not be made, or where a written certificate is filed signed by a physician, a registered nurse, or a public health officer, stating that in the opinion of the person making the certification, discontinuance of service will aggravate an existing illness or infirmity on the affected premises, service shall not be discontinued until the affected resident can make other living arrangements or until thirty (30) days elapse from the time of the Cooperative's notification to the member in writing of the existence of local, state, and federal programs providing for the payment of the Cooperative bills under certain conditions and of the offices to contact for such possible assistance. The written notice for any discontinuance of service shall advise the consumer of his/her rights to dissute structure and the service shall advise the consumer of his/her rights to dissute structure. OF KENTUCKY discontinuance. **EFFECTIVE** 

26. <u>INSPECTIONS</u>

FEB 13 1998

Shelby Energy Cooperative, Inc. shall not initiate new permanent electric service until the required certificate of approval has been issued by a certified electrical appropriate by local or state laws.

BY: Stephan But

| DATE OF ISSUE: | January 13, 1998 | EFFECTIVE DATE:             | February 13, 1998     |
|----------------|------------------|-----------------------------|-----------------------|
| ISSUED BY:     | Duth Betton. V.  | President & General Manager | Shelbyville, KY 40065 |
|                | Name of Officer  | Title                       | Address               |

|  |   | FOR        | All Territory         | Served |
|--|---|------------|-----------------------|--------|
|  | PUBLIC SERVICE COMMISSION<br>OF KENTUCKY    | P.S.C. No. | 8                     |        |
|  | EFFECTIVE                                   | Original   | SHEET NO.             | 13     |
| Chelby Energy Cooperative, Inc. nelbyville, Kentucky | JUN 04 1997                                 | CANCELLING | CANCELLING P.S.C. NO. |        |
| Name of Issuing Corporation                          | PURSUANT TO 807 KAR 5:011,<br>SECTION 9 (1) |            | SHEET NO.             |        |
| RULES  | S AND RECOMMENDORS                          |            |                       |        |

#### 27. TEMPORARY SERVICE

A member or consumer requesting temporary service may be required to pay all cost of construction, removing, connecting, and disconnecting service. Construction contractors, camps, campsites, barns, barnsites, sawmills, oil wells, carnivals, fairs, camp meetings, etc., after making application for service, will be provided service after they pay an advance fee equal to the reasonable cost of constructing and removing such facilities along with a deposit for estimated kWh usage.

Upon termination of temporary service, the payment paid on estimated usage will be adjusted to actual usage and either a refund or additional billing will be issued to such temporary member or consumer.

Temporary service used for such construction may only be utilized for a period not to exceed twelve (12) months after which time the service will be disconnected unless a written extension of time is obtained from the Cooperative.

#### 28. CONSUMER'S LIABILITY

The consumer shall assume full responsibility for service upon his/her premises at and from the point of delivery thereof, and for wires, apparatus, devices, and appurtenances thereon used in connection with service. Consumer shall indemnify, hold harmless and defend the Cooperative against all claims, demands, cost or expense for loss, damage, or injury to persons or property in any manner directly or indirectly arising from, connected with, or growing out of the transmission or use of electricity by consumer at or on the consumer's side of point of delivery.

#### 29. PROTECTION OF THE COOPERATIVE EQUIPMENT

The consumer shall protect the equipment of the Cooperative on his/her premises and shall not interfere with or alter or permit interference with or alteration of the Cooperative's meter or other property except by duly authorized representatives of the Cooperative.

For any loss or damage to the property of the Cooperative due to or caused by or arising from carelessness, neglect, vandalism, or misuses by the consumer or other unauthorized persons, the

| /              |                 |                             |                       |
|----------------|-----------------|-----------------------------|-----------------------|
| DATE OF ISSUE: | June 11, 1997   | EFFECTIVE DATE:             | June 4, 1997          |
| ISSUED BY:     | Dudle Botton Q. | President & General Manager | Shelbyville, KY 40065 |
|                | Name of Officer | Title                       | Address               |

|                                 |                              | FOR                   | All Territory | Served |
|---------------------------------|------------------------------|-----------------------|---------------|--------|
|                                 |                              | P.S.C. No.            | 8             |        |
|                                 | PUBLIC SERVICE COMMISSION    | Original              | SHEET NO      | 14     |
| Ahelby Energy Cooperative, Inc. | OF KENTUCKY<br>EFFECTIVE     | CANCELLING P.S.C. NO. |               | 7      |
| Name of Issuing Corporation     | JUN 04 1997                  |                       | SHEET NO.     |        |
| RULES                           | AND REGULATION OF KAR 5.011. |                       |               |        |
|                                 | By Stephan BU                |                       |               |        |

SECRETARY OF THE COMMISSION

29. PROTECTION OF THE COOPERATIVE EQUIPMENT (continued)

cost of the necessary replacement and repairs shall be paid for by the consumer. After proper negotiations with the Cooperative and if unable to reach an agreement, a court of law having jurisdiction over the parties shall determine the cost.

#### 30. POINT OF DELIVERY

- 1. A. Approval shall be obtained from the Cooperative as to the proper location for a service entrance.
  - B. Service entrances will be located on the exterior of the building nearest to the Cooperative's lines. For members desiring service entrances on any building at a location other than that closest to the Cooperative's lines, the additional estimated cost of such special construction as may be found necessary shall be borne by the member, and such cost shall be paid in advance before service can be connected.
  - C. Service entrances, both overhead and underground, shall be installed in accordance with applicable codes, and the Cooperative shall not connect until the required certificate of compliance has been issued by the required certified electrical inspector. In event of an emergency, a temporary waiver may be issued by the Cooperative to allow connection pending completion of electrical inspection.
- 2. Point of service (or delivery) shall be that point where the facilities of the Cooperative join the member's facilities, irrespective of the location of the meter, and will normally be at the weatherhead on overhead lines and at the meter base on underground service. All wiring and equipment beyond this point of service shall be supplied and maintained by the member. The member will, however, notify the Cooperative of any proposed changes in his equipment or wiring which will materially increase or decrease his load so the Cooperative may check its equipment to make certain it will accommodate the member's load requirements.

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|                |                 |                             |                       |
| DATE OF ISSUE: | June 11, 1997   | EFFECTIVE DATE:             | June 4, 1997          |
|                |                 |                             |                       |
| ISSUED BY:     | Didle Botton U. | President & General Manager | Shelbyville, KY 40065 |
| •              | Name of Officer | Title                       | Address               |

# PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

| FOR        | All Territory | All Territory Served |  |  |
|------------|---------------|----------------------|--|--|
| P.S.C. No. | 8             |                      |  |  |
| Original   | SHEET NO.     | 15                   |  |  |

| ~helby | Energy    | Cooperative, | inc. |
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| Lielby | ville, Ke | ntucky       |      |

JUN 04 1997

CANCELLING P.S.C. NO. 7

Name of Issuing Corporation

PURSUANT TO 807 KAR 5:011. SECTION 9 (1)

SHEET NO.

RULES AND PREDITION BOOK

# 31. RESALE OF POWER BY MEMBERS

All purchased electric service used on the premises of the member shall be supplied exclusively by the Cooperative, and the member shall not directly or indirectly sell, sublet, or otherwise dispose of the electric service or any part thereof, except by written contract approved by the Board of Directors of this Cooperative.

# 32. METER BASES

Meter bases are provided by the Cooperative for all normal new services and all normal service upratings. Special designs or unusual situations may require a contribution from the member.

# 33. METER READING

The Cooperative will provide meter reading services to all consumer accounts in accordance with the rates and tariffs filed with the Public Service Commission.

# 34. SEPARATE METER FOR EACH SERVICE

The Cooperative will normally furnish a single meter at the point of connection to the consumer's premises. Any consumer desiring service at two or more separately metered locations of connection to the system shall be billed separately at each point and the registration of such meters shall not be added for billing purposes, except by written contract approved by the Board of Directors of the Cooperative. Only one residence may be served for each meter location.

# 35. FRAUDULENT USE

When the Cooperative has discovered evidence that by fraudulent or illegal means, a consumer has obtained unauthorized service or has diverted the service for unauthorized use or has obtained same without being properly measured, the service to the consumer may be disconnected immediately and without notice. Within 24 hours after such termination, the utility shall send written notification to the consumer of the reasons for termination or refusal of service and of the consumer's right to challenge the termination by filing a complaint with the Public

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| DATE OF ISSUE:                           | June 11, 1997   | EFFECTIVE DATE:             | June 4, 1997          |
| ISSUED BY:                               | Della Botton    | President & General Manager | Shelbyville, KY 40065 |
|  | Name of Officer | Title                       | Address               |

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|  |   | P.S.C. No.            | 8         |        |
|  |   | Original              | SHEET NO. | 16     |
| ∼helby Energy Cooperative, Inc.  onelbyville, Kentucky | PUBLIC SERVICE COMMISSION<br>OF KENTUCKY<br>EFFECTIVE | CANCELLING P.S.C. NO. | 7         |        |
| Name of Issuing Corporation                            |   |                       |           |        |
|  | JUN 04 1997   |                       | SHEET NO. |        |
| RULE   | ES AND REGULATIONS<br>PURSUANT TO 807 KAR 5:011       |                       |           |        |
|  | SECTION 9 (1)   |                       |           |        |
|  | BY: Stephan Bu  |                       |           |        |

# 35. FRAUDULENT USE (continued)

Service Commission. The Cooperative shall not be required to restore service until the Cooperative has been reimbursed for the estimated amount of service rendered and the cost incurred by fraudulent use.

SECRETARY OF THE COMMISSION

It shall be the duty of the Cooperative before making service connections to a new consumer to ascertain the condition of the meter and service facilities for such consumer in order that prior fraudulent use of the facilities, if any, will not be attributed to the new consumer, and the new consumer shall be afforded the opportunity to be present at such inspection. The Cooperative shall not be required to render service to such consumer until all defects in the consumer-owned portion of the service, if any, have been corrected.

# 36. METER POLE

The Cooperative may, upon request, serve a meter pole to be wired by the consumer. The electrical load should be sufficient to justify at least a 200 ampere service. A means of disconnect satisfying National Electric Code requirements shall be installed on the load side of the meter base. The meter pole and all equipment on said pole, exclusive of the meter shall be installed and owned by the consumer. The pole location shall be determined by the Cooperative and the service must comply with the applicable codes and be inspected as required by state and local laws.

# 37. RELOCATION OF LINES

When the Cooperative is requested or required to relocate its facilities for any reason, any expense involved will be paid by the firm, person, or persons requesting the relocation, unless one or more of the following conditions are met:

- A. The relocation is made for the convenience of the Cooperative.
- B. The relocation will result in a substantial improvement in the Cooperative's facilities.

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| ISSUED BY:     | Dill Better     | President & General Manager | Shelbyville, KY 40065 |
| .00000         | Name of Officer | Title                       | Address               |

|                                 |  | FOR          | All Territory | Served |
|---------------------------------|--|--------------|---------------|--------|
|                                 |  | P.S.C. No.   | 8             |        |
|                                 | PUBLIC SERVICE COMMISSION<br>OF KENTUCKY | Original     | SHEET NO.     | 17     |
| Thelby Energy Cooperative, Inc. | EFFECTIVE                                |              |               |        |
| unelbyville, Kentucky           |  | CANCELLING P | .s.c. No.     | 7      |
| Name of Issuing Corporation     | - JUN 04 1997                            |              | <del></del>   |        |
|                                 | PURSUANT TO 807 KAR 5:011.               |              | SHEET NO.     |        |
| RULES AI                        | ND REGULATION (1)                        |              |               |        |
|                                 | SECRETARY OF THE COMMISSION              |              |               |        |

# 37. RELOCATION OF LINES (continued)

C. That the relocation is associated with other regularly scheduled conversion or construction work and can be done at the same time.

# 38. A. NORMAL SERVICE EXTENSIONS

An extension to a permanent residence of one thousand (1,000) feet or less shall be made by Shelby Energy to its existing distribution line without charge for a prospective member who shall apply for and agree to use the service for one year or more and provides guarantee for such service. The "service drop" to the structure from the distribution line at the last pole shall not be included in the foregoing measurements. This distribution line extension shall be limited to service where installed transformer capacity does not exceed 25 KVA. Any extensions to a consumer who may require polyphase service or whose installed transformer capacity will exceed 25 KVA will be required to pay in advance additional cost of construction which exceeds that for a single phase line where the installed transformer capacity does not exceed 25 KVA.

### 38. B. <u>OTHER EXTENSIONS</u>

- 1. When an extension of Shelby Energy's line to service a member or a group of members amounts to more than 1,000 feet per member, the total cost of the excessive footage over 1,000 feet per member shall be deposited by the applicant or applicants based on the estimated cost of the total extension.
- 2. Each member receiving service under such extension will be reimbursed under the following plan:

Each year for a period of ten (10) years, which for the purpose of this rule shall be the refund period, the Cooperative shall refund to the member or members who paid for the excess footage the cost of 1,000 feet of the extension in place for each additional member connected during the year whose service line is directly connected to the extension installed and not to extensions or laterals therefrom, but in no case shall the total

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| ISSUED BY:     | D. Il. Retter D. | President & General Manager | Shelbyville, KY 40065 |
| 100025 51.     | Name of Officer  | Title                       | Address               |

|   | FOR           | All Territory       | Served |
|---|---------------|---------------------|--------|
|   | P.S.C. No.    | 8                   |        |
|   | 2nd Revised   | SHEET NO.           | 18     |
| ாelby Energy Cooperative, Inc.<br>ுhelbyville, Kentucky | CANCELLING P. | ICELLING P.S.C. NO. |        |
| Name of Issuing Corporation                             |               | _                   |        |
|   | 1st Revised   | SHEET NO.           | 18     |
| RULES AND REGULATIONS                                   |               |                     |        |

# .

OTHER EXTENSIONS (continued)

38.

B.

- 2. amount refunded exceed the amount paid the Cooperative. After the end of the refund period, no refund will be required to be made. For additional consumers connected to an extension or lateral from the distribution line, the Cooperative shall refund to any consumer who paid for excessive footage the cost of 1,000 feet of line less the length of the lateral or extension.
- An applicant desiring an extension to a proposed real estate subdivision may be required to pay the entire cost of the extension. Each year for a period of ten (10) years, the Cooperative shall refund to the applicant who paid for the extension, a sum equivalent to the cost of 1,000 feet of the extension installed for each additional member connected during the year; but in no case shall the total amount refunded exceed the amount paid to the Cooperative. After the end of the refund period from the completion of the extension, no refund will be required to be made.
- 4. The member may elect to clear the right-of way to reduce his cost of connection.

# 39. LINE EXTENSION TO MOBILE HOMES

PUBLIC SERVICE COMMISSION

A. All extensions up to 300 feet from the nearest facility shall be made of the made of

B. All required fee charges and advances shall be paid before construction begins, and mobile home must be set in place before service can be extended. FEB 13 1998

The consumer shall install and own the meter pole and it shall intest the registrements of the applicable codes and shall be located at a site designated by Shelby Energy But By: Stephen 
| DATE OF ISSUE: | January 13, 1998 | <b>EFFECTIVE DATE:</b>      | February 13, 1998     |
|----------------|------------------|-----------------------------|-----------------------|
| ISSUED BY:     | Dudly Betta.     | President & General Manager | Shelbyville, KY 40065 |
|                | Name of Officer  | Title                       | Address               |

|                                |                     |              |   | FOR                 | All Territory | Served |
|--------------------------------|---------------------|--------------|---|---------------------|---------------|--------|
|                                |                     |              |   | P.S.C. No.          | 9             |        |
|                                |                     |              |   | 1st Revised         | SHEET NO.     | 19     |
| helby Energy Cooperative, Inc. |                     | CANCELLING P | e.s.c. No.  | 8                   |               |        |
|                                | Name                | of Issuing   | g Corporation   | Original            | SHEET NO.     |        |
|                                |                     |              | <b>RULES AND REGULATIONS</b>  |                     |               |        |
| (T)                            | LINI<br>D.          | For ex       | NSION TO MOBILE HOMES (continued)  Retensions greater than 300 feet and less than 1,000 feetative will charge a Consumer Advance For Const of construction for the portion of service beyond 300 feetative. | ruction (CAFC) b    | ased on the   | he     |
| PUBLIC SERVIC                  | CE COMA             | 1.           | The CAFC shall be refunded to the consumer over<br>amounts for each year the service is continued, ar<br>begins with the initial billing date.  | · -                 | -             | ıd     |
| OF KE                          | NTUCKY<br>CTIVE     | 2.           | If the service is disconnected for a period of sixty home be removed and another not take its place of structure, the remainder of the CAFC shall be for  | or be replaced by a |               |        |
| RSUANT TO                      | 807 KAI<br>ON 9 (1) | R 5:911,     | No refunds shall be made to any consumer who d  | id not make the C   | CAFC          |        |

originally.

E. For extensions greater than 1,000 feet the provisions, as stated in Part D, apply to the first 1,000 feet. For that portion of the line over 1,000 feet, the utility will charge the consumer the cost of construction for that portion of service beyond 1,000 feet. The deposit for that portion over 1,000 feet is subject to refund as follows:

The member may elect to clear the right-of-way to reduce his cost of connection.

- 1. Each year for a period of ten (10) years, which shall be the refund period, for that portion over 1,000 feet the provisions of (38B) will apply.
- F. Mobile home meter poles shall be wired and inspected according to the applicable codes and shall be wired and inspected at the expense of the consumer.

| DATE OF ISSUE: | September 23, 1997 | EFFECTIVE DATE:             | October 23, 1997      |
|----------------|--------------------|-----------------------------|-----------------------|
|                |                    |                             |                       |
| ISSUED BY:     | That Batton. S.    | President & General Manager | Shelbyville, KY 40065 |
|                | Rome of Officer    | Title                       | Address               |

|          |                            |  |   |                          |  | FOR                  | All Territory                         | Served |
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|          |                            |  |   |                          |  | P.S.C. No.           | 9                                     |        |
| ~        | bu Ena                     | ····· Caa  | m a wa 4 i  | . Inc                    |  | 1st Revised          | _SHEET NO                             | 20     |
|          | -                          | Kentuc   | perative<br>ky  | e, inc.                  |  | CANCELLING F         | P.S.C. NO.                            | 8      |
| -        |                            | Name   | of Issuin   | g Corporation            |  | O total              |                                       |        |
|          |                            |  |   | RUI ES AND               | REGULATIONS  | Original             | _SHEET NO                             | 20     |
| <b>*</b> |                            |  |   | NO ELLO / NI             | - Titolog (Tiono   |                      | i i i i i i i i i i i i i i i i i i i |        |
|          | 39.                        | LINE   | EXTE  | NSION TO MOBILE H        | OMES (continued)   |                      |                                       |        |
|          |                            | G.   | home<br>CAF(  | with a permanent reside  | mobile home line extension ence which is connected directly under the CAFC upon term ermanent residence. | ectly to the line fo | r which the                           |        |
|          | 40.                        | ELEC   | CTRICS  | SERVICE TO CAMPS         | AND BARNS, PUMPS, ET   | CC.                  |                                       |        |
|          | (T)<br>(T)<br>(T)          | A.   | Construction to a permanent camp, campsite, barn, or barnsite, or other services with low usages, whereby low usage is any usage pattern that is substantially less than that of an average permanent single family residence, is as follows: |                          |  |                      |                                       |        |
|          |                            | В.   | All re  | quired fee charges and a | advances shall be paid befor   | re construction beg  | gins.                                 |        |
|          | (T)                        | C.   | All ex  | ctensions up to 300 feet | from the nearest facility sha  | all be made withou   | ıt charge.                            |        |
|          | (T)                        | D. For extensions greater than 300 feet and less than 1,000 feet from the nearest facility, the Cooperative will charge a Consumer Advance for Construction (CAFC) based on the cost of construction for the portion of service beyond 300 feet, up to 1,000 feet. The deposit for that portion greater than 300 feet and less than 1,000 feet is subject refund as follows: |   |                          |  |                      |                                       |        |
|          |                            |  | 1.  |                          | funded to the consumer over<br>the service is continued, and<br>billing date.                            | • •                  | -                                     | d      |
|          | OF KEN<br>EFFE             | E COMM<br>ITUCKY<br>CTIVE  | 2.  | be removed and anoth     | nnected for a period of sixty<br>er not take its place or be re<br>er of the CAFC shall be for           | eplaced by a perm    |                                       | e      |
|          |                            |  |   |                          |  |                      |                                       |        |
| PURSU    | JANT TO<br>SECTI<br>Yeohan | 807 KAF<br>ON 9 (1)<br>OBL   | (5:011,<br><u>U</u>   |                          |  |                      |                                       |        |
| 20       | EO VOATE                   | <u> 1922 OF 193</u>  | MOISSI  |                          |  |                      | 20. 4007                              |        |

DATE OF ISSUE: September 23, 1997 EFFECTIVE DATE: October 23, 1997

ISSUED BY: President & General Manager Shelbyville, KY 40065

Name of Officer Title Address

|                                 |   |   |  |                               |                                     | FOR              | All Territory    | / Served |
|---------------------------------|---|---|--|-------------------------------|-------------------------------------|------------------|------------------|----------|
|                                 |   |   |  |                               | P.S.C. No.                          | 8                |                  |          |
| o                               |   |   |  | OF H                          | KENTUCKY                            | Original         | SHEET NO.        | 21       |
| Shelby Energy Cooperative, Inc. |   |   | FECTIVE  | CANCELLING                    | P.S.C. NO.                          | 7                |                  |          |
|                                 | Name  | of Issuir   | ng Corporation   | JUN                           | 04 1997                             |                  | CUEET NO         |          |
|                                 |   |   | RULES ANI  | PURSUANT.<br>D REGULATO       | TO 807 KAR 5:011.                   |                  | SHEET NO.        | <b>1</b> |
|                                 |   |   |  | BY: Stepho                    | nd Bey                              | _                |                  |          |
| 40.                             | ELEC  | CTRIC   | SERVICE TO CAMPS   |                               | OF THE COMMISSION  S, PUMPS, ETC    | . (continued)    |                  |          |
|                                 | D.  | 3.  | No refunds shall be no originally.   | nade to any co                | nsumer who did                      | not make the     | CAFC             |          |
|                                 |   | 4.  | The member may ele   | ect to clear the              | right-of-way to                     | reduce his cos   | et of connection | on.      |
|                                 | E.  | For extensions greater than 1,000 feet the provisions, as stated in Part D, apply to the first 1,000 feet. For that portion of the line over 1,000 feet, the utility will charge the consumer the cost of construction for that portion of service beyond 1,000 feet. The deposit for that portion over 1,000 feet is subject to refund as follows: |  |                               |                                     |                  |                  |          |
|                                 |   |   | Each year for a perio portion over 1,000 fe  |                               |                                     |                  | d period, for t  | hat      |
|                                 | F.  | with<br>CAF   | consumer who puts up a permanent residence of the consumer who puts up a permanent residence of the consumer who consumer which is a permanent who puts up a permanent who puts up a permanent who puts up a permanent which is a permanent whis | which is connectionded the CA | ected directly to<br>AFC upon terms | the line for w   | hich the         | ıal      |
| 41.                             | UND   | ERGR  | OUND ELECTRIC SE   | RVICE                         |                                     |                  |                  |          |
|                                 | The purpose of this policy is to formulate requirements for underground electrical service for individuals and subdivisions, the application of which will insure adequate service and safety to all persons engaged in the construction, maintenance, operation, and use of underground facilities and to the public in general. |   |  |                               |                                     |                  |                  |          |
|                                 | A.  |   | licability - This policy s<br>I in connection with elec  |                               |                                     |                  |                  |          |
|                                 | В.  |   | initions - The following ning indicated:   | words and ten                 | ns, when used in                    | n this policy, s | shall have the   |          |
|                                 |   |   |  |                               |                                     |                  |                  |          |

| ( )            |                   |                             |                       |
|----------------|-------------------|-----------------------------|-----------------------|
| DATE OF ISSUE: | June 11, 1997     | EFFECTIVE DATE:             | June 4, 1997          |
| ISSUED BY:     | Dudley Botton Jr. | President & General Manager | Shelbyville, KY 40065 |
| •              | Name of Officer   | Title                       | Address               |

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|------------------------------------|-----|--|--|------------|--------------|----------|
|                                    |     |  |  | FOR        | All Territor | y Served |
|                                    |     |  |  | P.S.C. No. | 8            |          |
|                                    |     |  | PUBLIC SERVICE COMMISSION  | Original   | SHEET NO.    | 22       |
| ←helby Energy Analysis _nelbyville |     | operative, Inc.<br>cky   | OF KENTUCKY<br>EFFECTIVE   | CANCELLING | P.S.C. NO.   | 7        |
| Name of Issuing Corporation        |     | e of Issuing Corporation   | <br>JUN 04 <sub>1997</sub>   |            | SHEET NO.    |          |
|                                    |     | RULES A  | NEURSEANTHA TOPKAR 5:011   |            |              |          |
| 41.                                | UNI | DERGROUND ELECTRIC SI  | BY: Stephan Buy  |            |              |          |
|                                    | B.  | Applicant - The developer, builder, or other person, partnership, association, corporation, or governmental agency applying for the installation of an underground electric distribution system. |  |            |              |          |
|                                    |     | •  | osed within exterior walls or fire<br>rts and designed for less than fiv | •          |              | med      |
|                                    |     |  | ing - A structure enclosed within  |            |              |          |

<u>Distribution System</u> - Electric service facilities consisting of primary and secondary conductors, transformers, and necessary accessories and appurtenances for the furnishing of electric power at utilization voltage.

<u>Subdivision</u> - The tract of land which is divided into ten (10) or more lots for the construction of new residential buildings, or the land on which is constructed two (2) or more new multiple occupancy buildings.

Commission - The Public Service Commission

or more individual dwelling units.

Trenching and Backfilling - Opening and preparing the ditch for the installation of conduits, raceways, and conductors, providing a sand bedding when required, and the compacting and backfilling of trench to ground level.

# C. Right-of-Way and Easements

1. The Cooperative shall construct or cause to be constructed, own, operate, and maintain distribution lines only along easements, public streets, roads, and highways which are by legal right accessible to the Cooperative's equipment and which the Cooperative has the legal right to occupy, and the public lands and

| <u> </u>       |                 |                             |                       |  |  |  |
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| DATE OF ISSUE: | June 11, 1997   | <b>EFFECTIVE DATE:</b>      | June 4, 1997          |  |  |  |
|                |                 |                             |                       |  |  |  |
| ISSUED BY:     | Dull Botton h.  | President & General Manager | Shelbyville, KY 40065 |  |  |  |
|                | Name of Officer | Title                       | Address               |  |  |  |

|  |  | FOR        | All Territory | Served |
|--|--|------------|---------------|--------|
|  |  | P.S.C. No. | 8             |        |
|  |  | Original   | SHEET NO.     | 23     |
| Ahelby Energy Cooperative, Incnelbyville, Kentucky | PUBLIC SERVICE COMMISSION<br>OF KENTUCKY   | CANCELLING | P.S.C. NO.    | 7      |
| Name of Issuing Corporation                        | EFFECTIVE  |            |               |        |
| RULE   |  | SHEET NO.  |               |        |
| 41. <u>UNDERGROUND ELECTRI</u>                     | C SER PICE SECTION 9 (1)  C SER PICE SECTION 9 (1)  C SER PICE SECRETARY OF THE COMMISSION |            |               |        |

- private property across which rights-of-way and easements satisfactory to the C. 1. Cooperative are provided without cost or condemnation by the Cooperative.
  - 2. Rights-of-way and easements suitable to the Cooperative for the underground distribution facilities must be furnished by the applicant in reasonable time to meet service requirements. The applicant shall make the area in which the underground distribution facilities are to be located accessible to the Cooperative's equipment, remove all obstructions from such area, stake to show property lines and final grade, perform rough grading to a reasonable approximation of final grade, and maintain clearing and grading during construction by the Cooperative. Suitable land rights shall be granted to the Cooperative, obligating the applicant and subsequent property owners to provide continuing access to the Cooperative for operation, maintenance, or replacement of its facilities, and to prevent any encroachment in the Cooperative's easement including changes in grade or elevation thereof.
- D. Installation of Underground Distribution System Within New Subdivision
  - Where appropriate contractual arrangements have been made, the Cooperative 1. shall install within the subdivision an underground electric distribution system of sufficient capacity and suitable materials which, in its judgment will assure that the property owners will receive safe and adequate electric service for the foreseeable future.
  - All singe-phase conductors installed by the utility shall be underground. 2. Appurtenances such as transformers, pedestal-mounted terminals, switching equipment, and meter cabinets may be placed above ground.
  - Three-phase primary mains or feeders required within a subdivision to supply 3. local distribution or to serve individual three-phase loads may be overhead unless underground is required by governmental authority or chosen by the applicant, in

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|----------------|------------------|-----------------------------|-----------------------|
| ISSUED BY:     | Duelle Botton J. | President & General Manager | Shelbyville, KY 40065 |
|                | Name of Officer  | Title                       | Address               |

|  |   | FOR         | All Territory Served |    |
|--|---|-------------|----------------------|----|
|  | PUBLIC SERVICE COMMIS<br>OF KENTUCKY      | SION.C. No. | 8                    |    |
|  | EFFECTIVE                                 | Original    | SHEET NO.            | 24 |
| িhelby Energy Cooperative, Inc.<br>্নelbyville, Kentucky | JUN 04 1997 CANCELLING P.S.C. NO.         |             |                      | 7  |
| Name of Issuing Corporation                              | PURSUANT TO 807 KAR 5:0:<br>SECTION 9 (1) | 11.         | SHEET NO.            |    |
| RULES AN   | ND REGULATION BU                          |             |                      |    |

# 41. <u>UNDERGROUND ELECTRIC SERVICE</u> (continued)

- D. <u>Installation of Underground Distribution System Within New Subdivision</u>
  - 3. either of which case the differential cost of underground shall be borne by the applicant.
  - 4. If the Applicant has complied with the requirements herein and has given the Cooperative not less than 120 days written notice prior to the anticipated date of completion (i.e., ready for occupancy) of the first building in the subdivision, the Cooperative shall complete the installation 30 days prior to the estimated completion date. (Subject to weather and ground conditions and availability of materials and barring extraordinary or emergency circumstances beyond the reasonable control of the Cooperative). However, nothing in this policy shall be interpreted to require the Cooperative to extend to service portions of the subdivisions not under active development.
  - 5. A non-refundable payment shall be made by the Applicant equal to the difference between the cost of providing underground facilities and that of providing overhead facilities. The payment to be made by the applicant shall be determined from the total footage of single-phase primary, secondary and service conductor to be installed at an average per foot cost differential in accordance with the average cost differential filed with the Public Service Commission. Where rock, shale, or other impairments are anticipated or encountered in construction, the actual increased cost of trenching and backfilling shall be borne by the Applicant.
  - 6. The Applicant may be required to contribute the entire estimated cost of the extension. If this is done, the amount contributed in excess of the normal charge for the underground extensions, as provided in Paragraph 5 above shall be refunded to the Applicant over a ten (10) year period as provided by the Public Service Commission.
  - 7. The Cooperative normally will perform or cause to be performed all necessary trenching and backfilling. The Applicant may elect to perform all necessary

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| DATE OF ISSUE:   | June 11, 1997      | <b>EFFECTIVE DATE:</b>      | June 4, 1997          |
|  |                    |                             |                       |
| SUED BY:   | Dudlen Botton , J. | President & General Manager | Shelbyville, KY 40065 |
|  | Name of Officer    | Title                       | Address               |

# PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

| FOR All Territor |           | y Served |
|------------------|-----------|----------|
| P.S.C. No.       | 8         |          |
| Original         | SHEET NO. | 25       |
| CANCELLING F     | 7         |          |
|                  | SHEET NO. |          |

Ahelby Energy Cooperative, Inc.

JUN 04 1997

Name of Issuing Corporation

PURSUANT TO 807 KAR 5:011. SECTION 9 (1) Y: Stedan C. Bana

RULES AND EXPENSIVE COMMISSION

# 41. <u>UNDERGROUND ELECTRIC SERVICE</u> (continued)

- D. Installation of Underground Distribution System Within New Subdivision
  - 7. trenching and backfilling in accordance with the Cooperative's specification. The Cooperative shall then credit the Applicant's cost in an amount equal to the Cooperative's normal cost for trenching and backfilling. However, the Cooperative personnel must be present at the time of backfilling if the Applicant elects to trench and backfill.
  - 8. The Cooperative shall furnish, install, and maintain the service lateral to the Applicant's meter base. The Applicant may elect to perform the trenching, conduit installation, and backfilling relative to the installation of the service lateral. This work performed by the applicant must be inspected and approved by Cooperative personnel or agents before backfilling is completed. The Cooperative shall then credit the Applicant's cost in an amount equal to the Cooperative's normal cost for such work.
  - 9. Plans for the location of all facilities to be installed shall be approved by the Cooperative and Applicant prior to construction. Alterations in plans by the Applicant which require additional cost of installation or construction shall be at the sole expense of the Applicant.
  - 10. The Cooperative shall not be obligated to install any facility within a subdivision until satisfactory arrangements for the payment of charges have been completed by the Applicant.
  - 11. The charges specified in these rules are based on the premise that each Applicant will cooperate with the Cooperative in an effort to keep the cost of construction and installation of the underground electric distribution system as low as possible and make satisfactory arrangements for the payment of the above charges prior to the installation of the facilities.

| _                                       |                 |                             |                       |
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|   |                 |                             |                       |
| DATE OF ISSUE:                          | June 11, 1997   | <b>EFFECTIVE DATE:</b>      | June 4, 1997          |
|   |                 |                             |                       |
| ISSUED BY:                              | Dette Botton &  | President & General Manager | Shelbyville, KY 40065 |
| ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, |                 | Title                       | Address               |
|   | Name of Officer | Title                       | Addiess               |

|  |                                     | FOR        | All Territory | Served |
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|  | PUBLIC SERVICE COMMISSION           | P.S.C. No. | 8             |        |
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| And the last control of th | JUN 04 1997                         | CANCELLING | P.S.C. NO.    | 7      |
| Name of Issuing Corporation  |                                     |            |               |        |
|  | PURSUANT TO 807 KAR 5:011.          |            | SHEET NO.     |        |
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|  | SECRETARY OF THE COMMISSION         |            |               |        |

# 41. <u>UNDERGROUND ELECTRIC SERVICE</u> (continued)

- D. Installation of Underground Distribution System Within New Subdivision
  - 12. All electrical facilities shall be installed and constructed to comply with the Rules and Regulations of the Public Service Commission, all applicable codes, and Shelby Energy specifications.
  - 13. For all other developments that do not meet the conditions set forth in these rules, underground distribution will be installed provided a Customer Advance For Construction to the Cooperative is made in an amount equal to the difference between the Cooperative's estimated cost of underground facilities and overhead facilities, which it would otherwise provide.

### 42. METER TESTING

Each and every watt-hour meter installed by the Cooperative on consumer's premises shall be tested periodically without charge to the consumer. Any other request for meter test shall be 32.50 complied with by the Cooperative and the consumer may be required to pay a \$25.00 meter test deposit. If the meter tests more than 2% fast, the \$25.00 deposit shall be returned to the consumer and a credit, based on Public Service Commission Rules and Regulations, shall be issued by the Cooperative to the consumer. If the meter is more than 2% slow, the member shall be billed for the difference, based on Public Service Commission Rules and Regulations. If the meter tests within the Commission's limits, the \$25.00 may be retained to offset the cost of the meter test. Such tests may not be made more frequently than once each twelve (12) months.

### 43. TAXES

Pursuant to the authority vested in KRS 139.210, there shall be added to the bill of all applicable subscribers, the sales and use tax imposed by KRS 139.200. The Utility Gross Receipts License Tax for schools authorized by KRS 160.613 shall be added to all applicable subscribers' bills in accordance with KRS 160.617, which authorizes a rate increase for the school tax.

| <u> </u>       |                 |                             |                       |
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| DATE OF ISSUE: | June 11, 1997   | EFFECTIVE DATE:             | June 4, 1997          |
| ISSUED BY:     | Dudle Botton De | President & General Manager | Shelbyville, KY 40065 |
| •              | Name of Officer | Titlo                       | Address               |

|             |  |                                    | FOR              | All Territory           |        |
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|             |  |                                    | P.S.C. No.       | 8                       |        |
|             |  |                                    | Original         | SHEET NO.               | 27     |
| -           | rgy Cooperative, Inc.<br>Kentucky  |                                    | CANCELLING F     | P.S.C. NO.              | 7      |
|             | Name of Issuing Corporation  | _                                  |                  |                         |        |
|             | ,  |                                    |                  | SHEET NO.               |        |
|             | RULES AN   | ID REGULATIONS                     |                  |                         |        |
| 44.         | VOLTAGE FLUCTUATIONS CA  | USED BY MEMBER OR CON              | ISUMER           |                         |        |
|             | Electric service must not be used in<br>disturbances to the Distribution Sys<br>own expense, to install suitable app           | stem. The Cooperative may req      | uire the consu   | mer, at his/ho          | er     |
| 45.         | CONFLICT   |                                    |                  |                         |        |
|             | In case of conflict between any pro-<br>Regulations, the rate schedule/tarifi  | •                                  | the schedule o   | f Rules and             |        |
| <b>1</b> 6. | FILING AND POSTING   |                                    |                  |                         |        |
|             | A copy of these Rules and Regulati<br>rates and charges, shall be kept ope   | •                                  | -                |                         |        |
| <b>1</b> 7. | CLASSIFICATION OF CONSUM   | ERS                                |                  |                         |        |
|             | Classification of consumers for acc<br>Manual of Accounts.   | ounting purposes is in accordan    | ce with the pres | scribed RUS             |        |
| 48.         | STANDARD NOMINAL VOLTA   | GES                                |                  |                         |        |
|             | The standard nominal voltages for system are as specified below. Ava service voltages(s) and other system Single Phase (volts) | nilability of a service voltage(s) |                  |                         |        |
|             | 120/240  | 120/208 Y                          | PUBLIC S         | ERVICE COMM             | ISSION |
|             | 240/480  | 240 delta                          |                  | F KENTUCKY<br>EFFECTIVE |        |
|             | 7,200  | 240 delta, 120/240 lighting        |                  |                         |        |
|             | 14,400   | 277/480 Y                          | JU               | N 04 1997               |        |
|             |  | 480 delta                          | n we             |                         |        |
|             |  | 7,200/12,470 Y                     | MURSUAN]         | TO 807 KAR S            | 5011,  |
|             |  | 14,400/24,940 Y                    | Cl- 1            | CTION 9 (1)             |        |

| DATE OF ISSUE: | June 11, 1997   | EFFECTIVE DATE:             | June 4, 1997          |
|----------------|-----------------|-----------------------------|-----------------------|
| ISSUED BY:     | Dedla Botton Q  | President & General Manager | Shelbyville, KY 40065 |
|                | Name of Officer | Title                       | Address               |

|  |  |  |  | FOR  | All Territory              | Served |
|--|--|--|--|--|----------------------------|--------|
|  |  |  |  | P.S.C. No.   | 9                          |        |
|  |  |  |  | 3rd Revised  | SHEET NO.                  | 28     |
| Shelby Energy Cooperative<br>Shelbyville, Kentucky | e, Inc.  | inches in the second   |  | CANCELLING P.S   | S.C. NO.                   | 8      |
| Name of Issui                                      | ing Corporation  |  |  | 2nd Revised  | SHEET NO.                  | 28     |
|  | RUL  | ES AND REGU  | ATIONS   | · · · · · · · · · · · · · · · · · · ·  |                            |        |
| ļ  | Shelby Energy C Your Touchstone Energy P.O. Box 309 Shelbyville, KY 40066-030  | gy. Partner A  | (502) 845-2845<br>(800) 292-6585   | Olfice Hours:<br>7:30 a.m 4:30 p.m. ES<br>Monday - Friday  | 5<br>T                     |        |
| <b>≋</b> ¾   | COUNT HUMBER: ACCOUNT HAME   |  | ICE ADDRESS  | METER HUNBER BILL DATE   |                            |        |
|  | GERYKCE PERIOD NO. FROM TO DAYS: PRE   | METER READING  | METER BILLED<br>HULTIPLIER DEMAND  | KILOWATT CHARGES   |                            |        |
|  |  |  |  |  |                            |        |
| : cua  | ERVICE LOCATION :: DAYS BERNICE : :: TOTAL KWH: RENT BLING PEROOD: UE PEROOD LAST YEAR: YOU Builting From the Last 13 Horden   | ::::::::::::::::::::::::::::::::::::::   | OUE DATE AFTER DUE   |  | . Date                     |        |
|  |  | CUSTONER CHO   | ICE PROGRAMS - AUTOMA<br>BILLING AND FIXED BUDG<br>OFFICE FOR DETA                                 |  |                            |        |
| Pr<br>Oi<br>Pl                                     | APORTANT INFORMATION FROM YOU ayments are accepted at our offices in Shelbyville utside depository is available after hours for your of lease allow ample time for delivery before the due aiture to receive bill does not void penalties for late.  To Report a Power Outage, Call 1-800-292- | & Bedford, KY.<br>convenience.<br>date when mailing your payment<br>a payment and service disconnect | * At 44  * Le  ton.  | : about customized billing:<br>utomalic Bank Draft Payment<br>avelized/Fixed Billing<br>uldoor Ughting<br>plional Residential Rate |                            |        |
|  | PLEA   | KEEP THIS STATEMENT FOR YO<br>SE DETACH AND RETURN THIS PORT   |  | K7063000   |                            |        |
|  | SHELBY ENERGY COOPE Your Touchanne Every Preuer X P. O. Box 309 Shelbyville, KY 40055-030 Aborices service request Voluntary donations to Winter fortunate lamilles and others in  | ED<br>TEX  | SERWCE LIGATION  SERWCE LIGATION  DUE DATE:  AMOUNT AFTER DUE  WINTERCABE DONAT  TOTAL AMOUNT ENCI | AMOUNT DUE ::  OATE:  OATE:  S  S  BLIC SERVICE  | COMMISS                    | SION   |
|  |  |  | 6 OFFICK 308   | GY COOPERATIVE ENT<br>KY 40088-0309 EFFECT<br>   | 1VE<br>106<br>107 KAR 5:01 | 1      |

President and CE

Title

October 5, 2006

Name of Officer

DATE OF ISSUE:

ISSUED BY:

mber 5, 2006

Address

Execution Dispose FKY 40065

|   |                     |                 |   |   | FOR                                | All Territory Served                                       |
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|   |                     |                 |   |   | P.S.C. No.                         | 8  |
| _ |                     |                 |   |   | 1st Revised                        | SHEET NO. 29   |
|   | by Ener<br>byville, |                 | perative, Inc.<br>ky  |   | CANCELLING F                       | P.S.C. NO. 8   |
|   |                     | Name            | of issuing Corporation  |   | Original                           | SHEET NO. 29   |
|   |                     |                 | RULES ANI   | D REGULATIONS   | Original                           | - CIRCLI NO  |
|   | 50.                 | ENICI           | OCV EMEDGENCY CONTRO  | DL PROGRAM - Re: PSC Adn  | nin Casa No. 1                     | 252  |
|   | 30.                 | ENE             | COY EMERGENCI CONTRO  | DL PROGRAM - Re. PSC Aun  | iiii. Case No                      | 555  |
|   | (T)                 |                 |   | cing the consumption of electric<br>nt of a severe electric energy sh   | 0.                                 | elby Energy  |
|   |                     | For th          | ne purpose of this program, the                                   | following priority levels have b  | een establishe                     | d:   |
|   |                     | I.              | Essential Health and Safety U                                     | Jses as defined in Appendix A   | A                                  |  |
|   |                     | II.             | Residential Use   |   |                                    |  |
|   |                     | III.            | Commercial and Industrial U                                       | ses   |                                    |  |
| _ |                     | IV.             | Nonessential Uses as defin  | ed in Appendix B  |                                    |  |
|   |                     | V.              | Interruptible Loads   |   |                                    |  |
|   |                     | VI.             | Direct Load Control   |   |                                    |  |
|   |                     | ("EKI<br>folloy | PC"), will notify Shelby Energy<br>wing steps will be implemented | Cooperative, East Kentucky Pov<br>y in the event of a severe electr<br>. These steps will be carried our<br>rder of the regulatory authoritie | ic energy shor<br>it to the extent | tage, and the not prohibited                               |
|   |                     | EKPO            | C and Shelby Energy will take                                     | the following actions listed in p   |                                    | RVICE COMMISSION<br>KENTUCKY<br>FFECTIVE                   |
|   |                     | 1.              | EKPC will initiate Direct Lo                                      | ad Control and notify Shelby En   | nergy.                             |  |
|   |                     | 2.              | EKPC will interrupt Interrup                                      | tible Loads and notify Shelby E   | Energy.                            | 3 13 1998  |
|   |                     | 3.              | Shelby Energy will initiate it                                    | s Load Reduction Procedure, A   |                                    | TTO 807 KAR 5:011 ECTION 9 (1) MANO BULL MORTHS COMMISSION |

| And the second state of the second second second |                  |                             |                       |
|--|------------------|-----------------------------|-----------------------|
| DATE OF ISSUE:                                   | January 13, 1998 | EFFECTIVE DATE:             | February 13, 1998     |
| ISSUED BY:                                       | Didle Botton U   | President & General Manager | Shelbyville, KY 40065 |
|  | Name of Officer  | Title                       | Address               |

|  | FOR        | All Territory | Served |
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|  | Original   | SHEET NO.     | 30     |
| ♠helby Energy Cooperative, Incnelbyville, Kentucky | CANCELLING | P.S.C. NO.    | 7      |
| Name of Issuing Corporation                        |            | SHEET NO.     |        |
| RULES AND REGULATION                               | .s         | mmi           |        |

ENERGY EMERGENCY CONTROL PROGRAM - (continued)

50.

- 4. EKPC will notify Shelby Energy to initiate its Voltage Reduction Procedure, Appendix D.
- 5. EKPC will notify Shelby Energy and EKPC and Shelby Energy will initiate media appeal for general Voluntary Load Reduction Procedure, Appendix E.
- 6. EKPC will, in coordination with other Kentucky electric utilities, request the Governor to declare a statewide Energy Emergency.
- 7. EKPC will request Shelby Energy to initiate mandatory load reduction of up to twenty percent (20%) in five percent (5%) steps, Appendix F.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

JUN 04 1997

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY: Stephan Buy
SECRETARY OF THE COMMISSION

| DATE OF ISSUE: | June 11, 1997     | <b>EFFECTIVE DATE:</b>      | June 4, 1997          |
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|                |                   |                             |                       |
| ISSUED BY:     | Durlle Bottom, he | President & General Manager | Shelbyville, KY 40065 |
|                | Name of Officer   | Title                       | Address               |

|  |   | FOR                   | All Territory | Served |
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|  | PUBLIC SERVICE COMMISSION<br>OF KENTUCKY    | P.S.C. No.            | 8             |        |
|  | EFFECTIVE                                   | Original              | SHEET NO.     | 31     |
| Ahelby Energy Cooperative, Incnelbyville, Kentucky | JUN 04 1997                                 | CANCELLING P.S.C. NO. |               | _ 7    |
| Name of Issuing Corporation                        | PURSUANT TO 807 KAR 5:011,<br>SECTION 9 (1) |                       | SHEET NO.     |        |
| RULES AND  | REQUESTIONS BU                              |                       |               |        |

# APPENDIX "A"

#### ESSENTIAL HEALTH AND SAFETY USES

Essential health and safety uses given special consideration in these procedures shall, insofar as the situation permits, include the following types of use and such other uses which the Commission may subsequently identify:

- (a) "Hospitals", which shall be limited to institutions providing medical care to patients.
- (b) "Life Support Equipment", which shall be limited to kidney machines, respirators, and similar equipment used to sustain the life of a person.
- (c) "Police Stations and Government Detention Institutions", which shall be limited to essential uses required for police activities and the operation of facilities used for the detention of persons. These uses shall include essential street, highway and signallighting services.
- (d) "Fire Stations", which shall be limited to facilities housing mobile fire-fighting apparatus.
- (e) "Communication Services", which shall be limited to essential uses required for telephone, telegraph, television, radio and newspaper operations.
- (f) "Water and Sewage Services", which shall be limited to essential uses required for the supply of water to a community, flood pumping and sewage disposal.
- (g) "Transportation and Defense-related Services", which shall be limited to essential uses required for the operation, guidance control and navigation of air, rail and mass transit systems, including those uses essential to the national defense and operation of state and local emergency services.
- (h) "Other Energy Source Services", which shall be limited to essential uses required for the production, transportation, transmission and distribution -- for fuel -- of natural or manufactured gas, coal, oil or gasoline.

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|----------------|-----------------|-----------------------------|-----------------------|
| DATE OF ISSUE: | June 11, 1997   | EFFECTIVE DATE:             | June 4, 1997          |
| ISSUED BY:     | Dudh Botto Dr.  | President & General Manager | Shelbyville, KY 40065 |
|                | Name of Officer | Title                       | Address               |

|  | FOR          | All Territory Served |    |
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|  | P.S.C. No.   | 8                    |    |
|  | Original     | SHEET NO.            | 32 |
| িনelby Energy Cooperative, Inc.<br>্নelbyville, Kentucky | CANCELLING F | P.S.C. NO.           | 7  |
| Name of Issuing Corporation                              |              |                      |    |
|  |              | SHEET NO.            |    |
| RULES AND REGULATIONS                                    |              |                      |    |

Appendix "A" - Essential Health and Safety Uses (continued)

(i) "Perishable Food or Medicine", which shall be limited to refrigeration for the storage and preservation of perishable food or medicine, when that use is substantially all of the customer's load.

Although these types of uses will be given special consideration when implementing the manual load-shedding provisions of this procedure, these customers are encouraged to install emergency generation equipment if continuity of service is essential. In case of customers supplied from two utility sources, only one source will be given special consideration. Also, any other customers who, in their opinion, have critical equipment should install emergency generation equipment. Shelby Energy's specific emergency list is on file in its office.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

JUN 04 1997

PURSUANT TO 807 KAR 5:011. SECTION 9 (1)

SECRETARY OF THE COMMISSION

| DATE OF ISSUE: | June 11, 1997   | EFFECTIVE DATE:             | June 4, 1997          |
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| ISSUED BY:     | Doth Botton J.  | President & General Manager | Shelbyville, KY 40065 |
|                | Name of Officer | Title                       | Address               |

|  | FOR   | All Territory | Served    |  |
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|  | P.S.C. No.  | 8             |           |  |
|  | <u>Original</u>   | SHEET NO.     | 33        |  |
| Ahelby Energy Cooperative, Incielbyville, Kentucky | CANCELLING P.   | s.c. no.      | .c. no. 7 |  |
| Name of Issuing Corporation                        |   |               |           |  |
|  |   | SHEET NO.     |           |  |
| RULES AND REGULATIONS                              | Original SHEET NO. 33  CANCELLING P.S.C. NO. 7  SHEET NO. |               |           |  |

# APPENDIX "B"

### NONESSENTIAL USES

The following and similar types of uses of electric energy and others which the Commission may subsequently identify shall be considered nonessential for all customers:

- (a) Outdoor flood and advertising lighting, except for the minimum level to protect life and property, and a single illuminated sign identifying commercial facilities when operating after dark.
- (b) General interior lighting levels greater than minimum functional levels.
- (c) Show-window and display lighting.
- (d) Parking-lot lighting above minimum functional levels.
- (e) Energy use greater than that necessary to maintain a temperature of not less than 76 degrees during operation of cooling equipment and not more than 68 degrees during operation of heating equipment.
- (f) Elevator and escalator use in excess of the minimum necessary for non-peak hours of use.
- (g) Energy use greater than that which is the minimum required for lighting, heating or cooling of commercial or industrial facilities for maintenance cleaning or business-related activities during non-business hours.

  PUBLIC SERVICE COMMISSION
  OF KENTUCKY
  EFFECTIVE

JUN 04 1997 ·

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY: Stephan BLU
SECRETARY OF THE COMMISSION

| DATE OF ISSUE: | June 11, 1997   | <b>EFFECTIVE DATE:</b>      | June 4, 1997          |
|----------------|-----------------|-----------------------------|-----------------------|
| ISSUED BY:     | Dell Better On  | President & General Manager | Shelbyville, KY 40065 |
| IOOOLD D1.     | Name of Officer | Title                       | Address               |

|  | PUBLIC SERVICE COMMISSION                                       | FOR          | All Territory | Served | _ |
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|  | OF KENTUCKY  EFFECTIVE  | P.S.C. No.   | 8             |        | _ |
|  | EFFECTIVE   | Original     | SHEET NO.     | 34     | - |
| ~helby Energy Cooperative, Inc.<br>ംപelbyville, Kentucky | JUN 04 1997   | CANCELLING F | e.s.c. No.    | 7      |   |
| Name of issuing Corporation                              | PURSUANT TO 807 KAR 5:011.<br>SECTION 9 (1)<br>BY: Stephano BUL |              | SHEET NO.     |        |   |
| RULES AND  | REGISTRATIVE COMMISSION   | -            |               |        |   |

# APPENDIX "C"

#### LOAD REDUCTION PROCEDURE

# Objective:

To reduce demand at Shelby Energy's facilities over the time period during which an electric energy shortage is anticipated.

#### Criteria:

This procedure is implemented when a *Load Reduction Alert* is issued. The President and General Manager has the responsibility of issuing a Load Reduction Alert.

### Procedure:

- 1. The President and General Manager receives notice from EKPC of capacity shortage.
- The President and General Manager is responsible for seeing that employees are participating
  in achieving the largest load reduction possible while still maintaining the service of the facility
  and not unduly jeopardizing safety.
- 3. Each Department Manager is responsible for seeing that employees are participating in achieving the largest load reduction possible while still maintaining the service of the facility and not unduly jeopardizing safety.
- 4. Examples of load reduction are:
  - · turning off all but a minimum of indoor and outdoor lighting
  - turning off microcomputers, printers, copiers, and other office equipment except as they are used
  - in the winter, setting thermostats no higher than 68 degrees, and in the summer no lower than 76 degrees

| <u> </u>       |   |                             |                       |
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| DATE OF ISSUE: |   | EFFECTIVE DATE:             | June 4, 1997          |
| ISSUED BY:     | Dudla Botton, J.                          | President & General Manager | Shelbyville, KY 40065 |
|                | N. C. | Title                       | Aridress              |

|  | FOR   | All Territory | Served |
|--|---|---------------|--------|
|  | P.S.C. No.  | 8             |        |
|  | Original  | SHEET NO.     | 35     |
| Chelby Energy Cooperative, Incielbyville, Kentucky | CANCELLING P.S.C. NO. 7   |               | 7      |
| Name of Issuing Corporation                        |   |               |        |
|  |   | SHEET NO.     |        |
| RULES AND REGULATIONS                              | P.S.C. No. 8  Original SHEET NO. 35  CANCELLING P.S.C. NO. 7  Forporation SHEET NO. |               |        |

# **VOLTAGE REDUCTION PROCEDURE**

APPENDIX "D"

# Objective:

To reduce demand on Shelby Energy's system over the period during which an electric energy shortage is anticipated by reducing the set point on system voltage regulators.

# Criteria:

This procedure is implemented when requested by EKPC System Operator.

### Procedure:

Shelby Energy will immediately dispatch personnel to reduce set points on regulators as much as possible while continuing to maintain minimum voltage requirements as prescribed by the Kentucky Public Service Commission. Shelby Energy's specific plan is on file in its office.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

JUN 04 1997

PURSUANT TO 807 KAR 5:011.

BY: SECRETARY OF THE COMMISSION

| DATE OF ISSUE: | June 11, 1997   | EFFECTIVE DATE:             | June 4, 1997          |  |
|----------------|-----------------|-----------------------------|-----------------------|--|
| ISSUED BY:     | Dudla Bottom In | President & General Manager | Shelbyville, KY 40065 |  |
|                | Name of Officer | Title                       | Address               |  |

|                                | FOR All                     | Territory Served |
|--------------------------------|-----------------------------|------------------|
|                                | P.S.C. No.                  | 8                |
|                                | 1st Revised shi             | EET NO. 36       |
| nelby Energy Cooperative, Inc. | CANCELLING P.S.C.           | . NO. <u>8</u>   |
| Name of Issuing Corporation    |                             |                  |
|                                | <u>Original</u> <b>s</b> нı | EET NO. 36       |
|                                |                             |                  |

# **RULES AND REGULATIONS**

### APPENDIX "E"

#### **VOLUNTARY LOAD REDUCTION PROCEDURE**

# Objective:

To reduce demand on Shelby Energy's system over the period during which an electric energy shortage is anticipated through media appeal for consumers to curtail energy use.

# Criteria:

This procedure is implemented when requested by EKPC Marketing and Communications Division personnel.

### Procedure:

Notify the following radio stations: WHAS, Louisville; WIKI, Carrollton; WKX, Eminence; and WCND, Shelbyville of the electrical shortage and ask them to make the public service announcement recommended by EKPC personnel. An example announcement is as follows:

# "Attention all Rural Electric Members:

Shelby Energy is experiencing a critical shortage of electricity to its members, and is requesting that all non-essential electrical appliances and lighting be turned off, and thermostats be lowered/raised immediately until (time of emergency).

Shelby Energy is encountering record high usage of electricity during this period of extreme low/high temperatures, and to help us keep from having a power blackoup is to be sufficiently your help NOW until (time of emergency).

Shelby Energy is encountering record high usage of electricity during this period of extreme of the sufficient of the suffici

Please turn off all electricity you do not have to have on.

FEB 13 1998

Thank you for your cooperation."

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Notify the following industrial or large commercial consumers to request them to completely use as well: Shelby Energy's specific industrial or large commercial consumer listing is on file in its office.

| DATE OF ISSUE: | January 13, 1998  | EFFECTIVE DATE:             | February 13, 1998     |
|----------------|-------------------|-----------------------------|-----------------------|
| ISSUED BY:     | Dudler Botton. V. | President & General Manager | Shelbyville, KY 40065 |
|                | Name of Officer   | Title                       | Address               |

|  | FOR F           | All Ferritory Served | _ |  |
|--|-----------------|----------------------|---|--|
|  | P.S.C. No.      | 88                   |   |  |
|  | Original s      | HEET NO. 37          |   |  |
| ூhelby Energy Cooperative, Inc.<br>.ielbyville, Kentucky | CANCELLING P.S. | c. no. 7             | 7 |  |
| Name of Issuing Corporation                              |                 |                      |   |  |
|  | S               | HEET NO.             | - |  |
| RULES AND REGULATION                                     | S               |                      |   |  |

# APPENDIX "F"

# MANDATORY LOAD CURTAILMENT PROCEDURE

# Objective:

To reduce demand on Shelby Energy's system over the period during which an electric energy shortage is anticipated by interrupting firm consumer load in five percent (5%) blocks up to a total of twenty percent (20%) of the system load.

### Criteria:

This procedure is implemented when requested by the EKPC System Operator. This procedure will only be requested after the Governor of Kentucky has issued a statewide State of Emergency Order.

#### Procedures:

Shelby Energy will immediately dispatch personnel to interrupt service to member consumer loads to achieve the reduction requested by EKPC. This may be achieved by interrupting services to certain nonessential loads for the entire period of the emergency or by rotating outages to various substation feeder circuits. Shelby Energy's specific plan is on file in its office.

> PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

> > JIJN MA 1997

PURSUALITIES BOI KAR 5:011. SECTION 9 (1) BY: Stephano

SECRETARY OF THE COMMISSION

| DATE OF ISSUE: | June 11, 1997   | EFFECTIVE DATE:             | June 4, 1997          |
|----------------|-----------------|-----------------------------|-----------------------|
| ISSUED BY:     | Dudly Botton    | President & General Manager | Shelbyville, KY 40065 |
|                | Name of Officer | Tisto                       | Addroca               |

| Form for filing Rate Schedule   | FOR All Territory Served  |  |
|---|---|--|
|   | Community, Town or City P.S.C. N0. 3rd Revised Sheet No.            | 5  |
| Shelby Energy Cooperative, Inc.<br>Shelbyville, Kentucky                                      | Canceling P.S.C. NO.<br>2nd Revised Sheet No.                       | <u>5</u>   |
| Name of Issuing Corporation   |   | * white and the same and the sa |
| CLASSI  | FICATION OF SERVICE   |  |
| GENERAL   | SERVICE - RATE 1  | Rate<br>Per Unit   |
|   | ·   |  |
| AVAILABILITY:   |   |  |
| consumers and for three-phase loads below   |   | n  |
| Regulations of the Seller. Consumer having a<br>direction of Seller be billed a demand charge | a peak demand exceeding 20 KW may at the as shown below.            |  |
|   |   |  |
| TYPE OF SERVICE:  |   |  |
| Single-phase and three-phase, 60  | ) Hertz, at available secondary voltage.                            |  |
|   |   |  |
| MONTHLY RATE:   |   |  |
| <u>Demand Charge:</u>   |   |  |
| First 20 KW of billing demand pe<br>Excess above 20 KW of billing de                          | r month, no demand charge.<br>emand per month @ \$4.97 per KW.      | (1)  |
| i2  |   |  |
|   |   |  |
| ,   |   |  |
|   |   |  |
|   |   |  |
|   |   |  |
| DATE OF ISSUE March 26, 2009  | DATE EFFECTIVE: Apr   | II 1, 2009<br>COMMISSION   |
| ISSUED BY Name of Offi  | Cer OF KENI   | UCKY<br>IVE  |
| Issued by authority of an Order of Case No2008-00423  | f the Public Service Commission of Kentucky in 20<br>Dated March 31 | 09009  |
|   | PURS <del>UANT TO 8</del><br>SECTION                                | <del>07 KAR 5.011</del><br>I 9 (1)   |
|   | $\sim 100$  |  |

| Form for filing Rate Schedule   | FOR All Territory Served | _ |
|---------------------------------|--------------------------|---|
|                                 | Community, Town or City  |   |
| •                               | P.S.C. NO.               | 5 |
|                                 | 6th Revised Sheet No.    | 2 |
| Shelby Energy Cooperative, Inc. | Cancelling P.S.C. NO.    | 5 |
| Shelbyville, Kentucky           | 5th Revised Sheet No.    | 2 |
| Name of Issuing Corporation     |                          |   |

**CLASSIFICATION OF SERVICE** Rate **GENERAL SERVICE - RATE 1** Per Unit Rate Energy Charge Cansumer Facility Charge 7.92 (minimum) 600 kWh per month (1) First 0.09193 per kWh (1)1,4Q0 kWh per month 0.08999 per kWh Next 2,000 \$ 0.08854 per kWh (1)kWh per month All Over **DETERMINATION OF BILLING DEMAND:** The billing demand shall be the maximum kildwatt 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. POWER FACTOR ADJUSTMENT: 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.

DATE OF ISSUE

July 21, 2009

DATE EFFECTIVE:

August 1, 2009

TITLE President & CEO
PUBLIC SERVICE COMMISSION
OF KENTUCKY

Issued by authority of an Order of the Public Service Commission of Kentucky Fife CTIVE
8/1/2009

Case No. 2008-00536

Dated PURSUANTING COMMAR 5:011

By Weecutive Director

SECTION 9 (1)

| Form for filing Rate Schedule   | FOR All Territory Served |     |
|---------------------------------|--------------------------|-----|
|                                 | Community, Town or City  |     |
|                                 | P.S.C. NO.               | 5   |
|                                 | 2nd Revised Sheet No.    | 3   |
| Shelby Energy Cooperative, Inc. | Canceling P.S.C. NO.     | 5 : |
| Shelbyville, Kentucky           | 1st Revised Sheet No.    | 3   |
| Name of Issuing Corporation     |                          |     |

| CLASSIFICATION OF SERVICE  |     |  |
|--|-----|--|
| GENERAL SERVICE - RATE 1   |     |  |
| MINIMUM MONTHLY CHARGE:  The minimum monthly charge under the above rate shall be \$7.92. Where it is necessary to extend or reinforce existing distribution facilities, the minimum monthly charge may be increased to assure adequate compensation for added facilities. Where the   | (1) |  |
| minimum charge is increased in accordance with the terms of this section, additional energy and demand shall be included in accordance with the foregoing rate schedule.  The minimum monthly charge for three-phase service shall be \$1.00 per KVA of installed transformer capacity or the minimum monthly charge stated in the contract for service. |     |  |
| SPECIAL PROVISIONS:  Contract  |     |  |
| An "Agreement for Purchase of Power" shall be executed by the consumer for service under this rate schedule if the service is to be three-phase, or if required by the Seller.   |     |  |
| TERMS OF PAYMENT:  The above rates are net; the gross rates are 10% higher. In the event the current monthly bill is not paid by the due date as shown on the bill, the gross rate shall apply.  |     |  |

March 26, 2009

DATE EFFECTIVE:

April 1, 2009

ISSUED BY

Name of Officer

TITLE President & CEO

4/1/2009 PURSUANT TO 807 KAR 5:011

SECTION 9 (1)

| orm for filing Rate Schedules  | FOR  | All Territory Served |  |
|--|--|----------------------|--|
| -  |  | Community            | , Town or City   |
|  | P.S.C. No.   |                      | 5  |
|  | Original   | SHEET NO.            | 44   |
| elby Energy Cooperative, Inc.<br>nelbyville, Kentucky  | CANCELLII  | NG P.S.C. NO.        |  |
| Name of Issuing Corporation  | **************************************   | SHEET NO.            |  |
| CLASSIFICATION OF S  | ERVICE   |                      |  |
| GENERAL SERVICE -  | RATE 1   |                      | RATE<br>PER UNIT   |
|  |  |                      |  |
|  |  |                      |  |
| FUEL ADJUSTMENT CLAUSE:  |  |                      |  |
| The second secon |  |                      |  |
| This rate may be increased or decreased by an amount   |  |                      |  |
| adjustment amount perkWh as billed by the wholesale power  |  |                      |  |
| for line losses. The allowance for line losses will not exceed   |  |                      |  |
| month moving average of such losses. The Fuel Clause is sub  | oject to all other application   | ble                  |  |
| provisions as set out in 807 KAR's:056.  |  |                      |  |
|  |  |                      |  |
|  |  | 1                    |  |
|  |  |                      |  |
| SPECIAL RULES:   |  |                      |  |
|  | (4.0777) 1   | DUDI 10 oraș         |  |
| Motors having a rated capacity in excess of ten horsep   |  | PUBLIC SERV          | CE COMMISSIN   |
| three-phase. Motors in excess of five horsepower (5 HP) shall  | ll be provided with  | EFR                  | ECTIVE   |
| compensating starting equipment acceptable to the Seller.  | The state of the s |                      |  |
|  | * Andrew Comments of the Comme | JUN                  | 04 1997  |
| ı  | The Control of the Co | 0011                 | 7 1331   |
| MON (DOD ) DAY (DEDAY(CE)  | The state of the s | PURSUANT TO          | 807 KAR 5011   |
| TEMPORARY SERVICE:   | "He de   | SECTI                | QN 9 (1)   |
| C : :  | B achadula may be requi  | 1: Stephan           | ) Buy  |
| Consumers requiring temporary service under this rate  | the sumbline and some  | LISEGRETARY OF       | HE COMMISSION  |
| to pay all costs of connecting and disconnecting incidental to   | me supplying and reind   | t; cz.               |  |
| of service. In addition to this, a deposit will be required to co  | iver estimated consump   | uon w                |  |
| of electricity. Both fees will be paid in advance.   |  |                      |  |
|  |  |                      | The same of the sa |
|  |  |                      | 1  |
|  |  |                      | The same of the sa |
|  |  |                      | **************************************   |
| ATE OF ISSUE: June 11, 1997  | EFFECTIVE DATE:  | June                 | e 4, 1997  |
| SUED BY: Durille Botto. A. President & Ge  | eneral Manager   | Shelbvvil            | le, KY 40065   |
| Name of Officer Title  |  | Address              |  |
|  |  |                      |  |
| Issued by authority of an Order of the Public Servi  |  | ucky in              |  |
| Case No.   | Dated  |                      |  |

|         |             | ergy Cooperative, Inc.<br>, Kentucky<br>Name of Issuing Corporation   | FOR P.S.C. N0. 6th Revised Cancelling P 5th Revised | s.c. No.  | 5<br>5<br>5<br>5 |        |
|---------|-------------|---|---|---|------------------|--------|
|         |             | CLASSIFICATION  | N OF SEF  | RVICE   |                  |        |
|         |             | LARGE POWER SERVI   |   |   | Rate<br>Per Unit | -<br>- |
|         | AVAILABIL   | <u>lTY:</u>   |   |   |                  |        |
| . '     | Rate 1, loc | Available to all consumers whose KW dema<br>esidential and farm consumers who do not q<br>cated on or near Seller's line for all types of us<br>ations of Seller. | ualify under a                                      | vailability of servie under                     |                  |        |
|         | TYPES OF    | SERVICE:  |   |   |                  |        |
|         |             | Three -phase, 60 Hertz, available at Sellers'   | s standard vo                                       | oltage  |                  | (1)    |
| MONTHRY | RATE:       | Customer Charge ParM.   | en i C  | 50,15   |                  | (N)    |
|         |             | Demand Charge   |   |   |                  |        |
|         |             | \$4.97 per month per KW of billing demand   |   |   |                  |        |
|         |             | Energy Charge   |   |   |                  |        |
|         |             | First 100 kWh per KW demand   |   |   | (1)              | (D)    |
|         | }           | Next——100 kWh per KW-demand——   | \$_0.07061  | per-kWh   | (1)              |        |
|         |             | All Over 200 kWh per KW demand  |   |   | (1)              | (1)    |
|         |             | Eursy Charse Per Kuth for   | all kw  | h 40.06823                                      |                  | (N)    |
|         | DATE OF     | ISSUE July 21, 2009   | DATE EFFE   | ECTIVE: August 1                                | , 2009           | J<br>- |
|         | ISSUED E    | Name of Officer   | ·<br>- [  | PUBLIC SERVICE C                                |                  | YON    |
|         |             | Issued by authority of an Order of the Publi  | c Service Cor                                       | mmission of RenticeNTU(<br>EFFECTIV             | CKY<br>E         | NON    |
|         |             | Case No. 2008-00536   | -   | Dated JAV152889<br>PURSUANT TO 807<br>SECTION 9 | KAR 5:01         | т      |

| orm for filing Rate Schedules  | FOR                         | All Territor                        | y Served         |
|--|-----------------------------|-------------------------------------|------------------|
|  |                             | Community                           | , Town or City   |
|  | P.S.C. No.                  | <del></del>                         | 5                |
| nelby Energy Cooperative, Inc.   | Original                    | _SHEET NO.                          | 6                |
| helbyville, Kentucky   | CANCELLI                    | IG P.S.C. NO.                       |                  |
| Name of Issuing Corporation  |                             | SHEET NO.                           |                  |
|  |                             |                                     |                  |
| CLASSIFICATION OF SERVICE  | O!                          | RVICE COMM<br>KENTUCKY<br>EFFECTIVE | ISSION           |
| LARGE POWER SERVICE - RATI   | <u>ال</u> 22                | N O4 199                            | RATE<br>PER UNIT |
|  |                             | T TO 807 KAR<br>ECTION 9 (1)        | 5:011,           |
| DETERMINATION OF BILLING DEMAND:   | BY: Step                    | A - 1                               | SSION            |
| The billing demand shall be the maximum kilowatt demand estab consumer for any period of fifteen (15) consecutive minutes during the maximum the bill is rendered, as indicated or recorded by a demand meter and adjust factor as provided below.   | onth for wh                 | ich                                 |                  |
| POWER FACTOR ADJUSTMENT:   |                             |                                     |                  |
| The consumer agrees to maintain unity power factor as nearly as plactor may be measured at any time. Should such measurements indicate factor at the time of his maximum demand is less than 0.90 (90%), the depurposes shall be the demand as indicated or recorded by the demand me 0.90 (90%) and divided by the power factor.            | that the pov<br>mand for bi | ver<br>lling                        |                  |
| FUEL ADJUSTMENT CLAUSE:  |                             |                                     |                  |
| This rate may be increased or decreased by an amount per kWh exadjustment amount per kWh as billed by the wholesale power supplier plant for line losses. The allowance for line losses will not exceed 10% and is twelve-month moving average of such losses. The Fuel Clause is subject applicable provisions as set out in 807 KAR 5:056. | us an allowa<br>based on a  | 1                                   |                  |
| ATE OF ISSUE: June 11, 1997 EFFECTIV   | /E DATE:                    | June                                | 4, 1997          |
| SUED BY: Dudle Button . President & General Manage   | ger                         | Shelbyvil                           | le, KY 40065     |
| Name of Officer Title  |                             | Address                             | 1                |

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

Case No.

Dated

| Form for filing Rate                                    | Schedules   |   | FOR                                      | All Territory Served  |         |
|---|---|---|--|---|---------|
|   |   |   | P.S.C. No.                               | Community, Town of 5  | or City |
|   |   |   | Original                                 | SHEET NO. 7   |         |
| ेelby Energy Cooperative, Inc.<br>Shelbyville, Kentucky |   |   | CANCELLI                                 | NG P.S.C. NO.   |         |
|   | Name of Issuing CorporationSHEET  |   |  |   |         |
|   | CLASS   | IFICATION OF SERVICE  |  | um masock (SSA) statistical graph specification of the con-                   |         |
|   | LARG  | GE POWER SERVICE - RAT  | E 2                                      | RA<br>PER   |         |
| MINIMUM   | MONTHLY CHARGE:   |   |  |   |         |
|   | ninimum monthly charge shall or the consumer in question:                                   | l be the highest one of the foll  | owing charg                              | ges as  |         |
| 1.  | The minimum monthly cha   | rge specified in the contract fo  | r services.                              | 1   |         |
| 2.  | The charge of \$1.00 per KV   | A of installed transformer cap  | pacity.                                  |   |         |
| SPECIAL P   | ROVISIONS:  |   |  |   |         |
| 1.  |   | s furnished at secondary voltage point unless otherwise specific  |  |   |         |
|   |   | other electric equipment on the ed and maintained by the cons   |  | f the   |         |
| 2.  | shall be the point of attachment transformer structure unless service. All wiring, pole lin | ller's primary line voltage, the<br>nent of Seller's primary line to<br>s otherwise specified in the con<br>nes, and other electric equipment<br>to load side of the delivery point<br>the consumer | consumer's<br>entract for<br>ent (except | int  PUBLIC SERVICE COLOF KENTUCK EFFECTIVE  JUN 04 199                       | Υ       |
|   | owned and manifed by t  | no consumer.  |  |   |         |
|   |   |   |  | PURSUANT TO 807 KAI<br>SECTION 9 (1)<br>Y: Sketan Be<br>SECRETARY OF THE COMM | U       |
| OATE OF ISSUE:  | June 11, 1997   | EFFECTI   | VE DATE:                                 | June 4, 199   | 7       |
| SUED BY:  | Dudly Botton.   | President & General Mana  | iger                                     | Shelbyville, KY 4   | 10065   |
| _   | Name of Officer   | r of the Public Service Commis  | eion of Vort                             |   |         |

Case No.

Dated

| orm for filing Rate              | Schedules  |   | FOR                                 | All Territor  | y Served         |
|----------------------------------|--|---|-------------------------------------|---|------------------|
| J                                |  |   |                                     | THE RESERVE OF THE PERSON NAMED IN                                  | , Town or City   |
|                                  |  |   | P.S.C. No.                          |   | 5                |
|                                  |  |   | Original                            | SHEET NO.   | 8                |
| nelby Energy Coo                 | •  |   |                                     |   |                  |
| helbyville, Kentuc               | ку   | Maur  | CANCELLIN                           | NG P.S.C. NO.   |                  |
| Name                             | e of Issuing Corporation   |   |                                     | SHEET NO.   |                  |
|                                  | CLASSIF  | ICATION OF SERVICE  |                                     |   |                  |
|                                  | LARGE  | POWER SERVICE - RATE  | 2                                   |   | RATE<br>PER UNIT |
| SPECIAL PI                       | ROVISIONS:   |   |                                     |   |                  |
| 3.                               | Primary Service - If service is discount of five percent (5%) charges. The Seller shall have voltage.                                      | shall apply to the demand and                                     | energy                              | e, a  |                  |
| 4.                               | Contract - An "Agreement for by the consumer for service u   |   | executed                            |   |                  |
| TERMS OF                         | PAYMENT:   |   |                                     |   |                  |
| The a monthly bill               | above rates are net; the gross rate<br>is not paid by the due date as sh   | es are 10% higher. In the ever<br>nown on the the bill, the gross | nt the curre<br>rate shall a<br>PUE | nt<br>pply.<br>SLIC SERVICE   | COMMISSION       |
| SPECIAL R                        |  |   |                                     | OF KENT<br>EFFEC  | JCKY<br>IVE      |
| three-phase.                     | rs having a rated capacity in exc<br>Motors in excess of five horsep<br>g starting equipment acceptable                                    | ower (5 HP) shall be provided                                     | l with                              | JUN 04<br>SUANT TO 80<br>SECTION                                    | 7 KAR 5011       |
| TEMPORA                          | RY SERVICE:  |   | BY:s                                | Stephan() CHETARY OF THE  | Bui              |
| to pay all cos<br>of service. In | umers requiring temporary servents of connecting and disconnect and addition to this, a deposit will. Both fees will be paid in advantage. | ing incidental to the supplying<br>be required to cover estimated | ay be requi<br>g and remo           | red<br>ving   |                  |
|                                  |  |   |                                     | ng transit distribution and a superstantial of the substitution and |                  |
| ATE OF ISSUE: _                  | June 11, 1997  | EFFECTIVE   | E DATE:                             | June  | 9 4, 1997        |
| SUED BY:                         | Duster Botton, Jr. Name of Officer   | President & General Manage  | <u>er</u>                           | Shelbyvi<br>Address   | le, KY 4006      |
|                                  | ssued by authority of an Order o   | f the Public Service Commission                                   |                                     | ucky in   |                  |

| Form for filing Rate Schedule   | FOR          | All Territory Served    | <u> </u> |  |
|---------------------------------|--------------|-------------------------|----------|--|
| <b>V</b>                        |              | Community, Town or City |          |  |
|                                 | P.S.C. NO.   |                         | 5        |  |
|                                 | 7th Revised  | Sheet No.               | 9        |  |
| Shelby Energy Cooperative, Inc. | Cancelling P | .s.c. No.               | 5        |  |
| Shelbyville, Kentucky           | 6th Revised  | Sheet No.               | 9        |  |
| Name of Issuing Corporation     |              |                         |          |  |

CLASSIFICATION OF SERVICE Rate Per Unit OUTDOOR AND STREET LIGHTING SERVICE - RATE 3 AVAILABILITY: Available to all consumers of the Cooperative, subject to the established Rules and Regulations of the Cooperative. TYPE OF SERVICE: 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. RATES: Type of Fixture 9.31 100 Watt HPS (High Pressure Sodium) -7.86(1) Security Light 100 Watt 19.44 В. HPS (High Pressure Sodium) Decorative Colonial Light 10.50 (1)HPS (High Pressure Sodium) 400 Watt C. 19.46 Directional Flood and 16.43 Security and Street Light (1)HPS (High Pressure Sodium) 250 Watt D. 13.40 Directional Flood and Security and Street Light 11.73 (1) 1494 150 Watt HPS (High Pressure Sodium) E. Decorative DATE EF DATE OF ISSUE FFEFFEFFE THE VECEO TITLE ISSUED BY

8/1/2009 Name of Officer PURSUANT TO 807 KAR 5:011

Issued by authority of an Order of the Public Service Commission of Kenfack/TikON 9 (1) 2008-00536 Case No.

:009

cutive Director

| Form for filing Rate Schedules   | FOR   | All Territory          |  |
|--|---|------------------------|--|
|  |   | Community,             | Town or City                                   |
|  | P.S.C. No.  |                        | 5  |
| Calley Facerry Cooperative Inc   | Original  | SHEET NO.              | 10   |
| elby Energy Cooperative, Inc.<br>Shelbyville, Kentucky   | CANCELLIN   | IG P.S.C. NO.          |  |
| Name of Issuing Corporation  |   | SHEET NO.              |  |
| Maine of Issuing Corporation   |   |                        |  |
| CLASSIFICATION OF SERVI  | CE  |                        |  |
| OUTDOOR AND STREET LIGHTING S  | SERVICE - RATE  | 3                      | RATE<br>PER UNIT                               |
| CONDITIONS OF SERVICE:   |   |                        |  |
| For installation where 120/240 volt secondary voltage is available. shall furnish, install, own, and maintain standoff brackets, decorative for the lamp being used. The consumer shall pay the monthly rate per charges as determined plus furnish all ditching, conduit, back filling sodding as necessary in accordance with the Cooperative's specific will install the conduit. The Cooperative will make all necessary of termination of this service, the Cooperative shall not be required to wiring or conduit. | we poles and fixture plus any additional g, and repaving/se tations. The consument onnections. Upon | l<br>eding/<br>mer     |  |
| 2. <u>Directional, security and street lighting (Served Overhead)</u> For installation on existing wood poles where 120/240 volt secondary additional required facilities may be provided by the Cooperation charge per month to be determined by the Cooperative.   |   | ıl                     |  |
| 3. The Cooperative shall maintain the lighting equipment inclument, at no additional cost to the consumer within 72 hours after the Cooperative of the need for maintenance of the lighting equipment.   | e consumer notifie  | es the                 | VICE COMMISSION<br>ENTUCKY<br>FECTIVE          |
| 4. The lighting equipment, poles, and related facilities shall rethe Cooperative. The consumer shall be responsible for fixture repwhere such replacement or repairs are caused from willful damage, other than normal burnouts.   | lacement or repair  | PURSUANT TO            | 807 KAR 5:011.<br>20 8 (1)<br>30 8 (1)<br>BCL1 |
| 5. The consumer shall allow authorized representatives of the upon the consumer's premises and to trim trees and shrubs as neces of the lighting equipment and for removal of lighting equipment up under this rate schedule.  | ssary for maintena  | nce                    | MOISCIM  |
| DATE OF ISSUE: June 11, 1997 EFF   | FECTIVE DATE:   | June                   | 4, 1997  |
| SUED BY: Dully Bottom, Ja. President & General Name of Officer Title   | Manager   | Shelbyville<br>Address | e, KY 40065                                    |

Issued by authority of an Order of the Public Service Commission of Kentucky in Dated \_\_\_\_ Case No.

| orm for filing Rate Schedules   | FOR                                    | All Territory  | y Served                 |
|---|--|--|--------------------------|
|   |  | Community  | , Town or City           |
|   | P.S.C. No.                             |  | 5                        |
| No. Engage Conserving Inc.  | Original                               | SHEET NO.  | 11                       |
| elby Energy Cooperative, Inc. Shelbyville, Kentucky   | CANCELLIN                              | IG P.S.C. NO.  |                          |
| Name of Issuing Corporation   |  | SHEET NO.  |                          |
| CLASSIFICATION OF SERVICE   | E                                      |  |                          |
| OUTDOOR AND STREET LIGHTING SE  | ERVICE - RATI                          | E 3  | RATE<br>PER UNIT         |
| CONDITIONS OF SERVICE (continued):  |  |  |                          |
| 6. When additional facilities are required by the consumer, the C furnish them at an additional charge per month to be determined by the These additional charges are subject to change by the Cooperative up written notice. All facilities furnished by the Cooperative will be started.                          | he Cooperative.<br>on 30 days prior    | r  |                          |
| 7. The Cooperative and the consumer shall execute an agreementhis schedule for a period not less than one year. Cancellation by the initial one-year term will require the consumer to pay the Cooperative and removal of facilities plus the salvageable material, prorated on the portion of the one-year period. | consumer prior e its cost of insta     | to the<br>allation   |                          |
| TERMS OF PAYMENT:   |  |  |                          |
| The above rates are net; the gross rates are 10% higher. In the monthly bill is not paid by the due date as shown on the bill, the gross reduction will be made to the consumer's monthly charge under this sinterruption time due to lamp failure or other cause beyond the control                                | s rate shall apply<br>schedule for ser | y. No<br>vice  |                          |
| FUEL ADJUSTMENT CLAUSE:   | PUBL                                   | LIC SERVICE (<br>OF KENTU  |                          |
| This rate may be increased or decreased by an amount per kW   | Th equal to the f                      | uel EFFECT   |                          |
| adjustment amount per kWh as billed by the wholesale power supplies for line losses. The allowance for line losses will not exceed 10% and month moving average of such losses. The Fuel Clause is subject to provisions as set out in KAR 5::056.  | d is based on a tall other applica     | welle-04   | KAR 5:011,<br>(1)<br>Bu  |
| for line losses. The allowance for line losses will not exceed 10% and month moving average of such losses. The Fuel Clause is subject to provisions as set out in KAR 5::056.  | d is based on a tall other applica     | EVALUATE - 0 4 able SUANT TO 807 SECTION 9 SECTION 9 RETARY OF THE C | KAR 5:011,<br>(1)<br>Buy |

| Dell Betton   | President & General Manager | Shelbyville, KY 40065 |  |  |  |  |
|---|-----------------------------|-----------------------|--|--|--|--|
| Name of Officer   | Title                       | Address               |  |  |  |  |
| Issued by authority of an Order of the Public Service Commission of Kentucky in |                             |                       |  |  |  |  |
| Case No.  | Dated                       |                       |  |  |  |  |

| Form for filing Rate Schedules  | FOR         | All Territory           | / Served |  |
|---------------------------------|-------------|-------------------------|----------|--|
|                                 |             | Community, Town or City |          |  |
|                                 | P.S.C. No.  |                         | 5        |  |
|                                 | 3rd Revised | SHEET NO.               | 12       |  |
| Shelby Energy Cooperative, Inc. |             |                         |          |  |
| Shelbyville, Kentucky           | CANCELLING  | P.S.C. NO.              | 5        |  |
| Name of Issuing Corporation     | 2nd Revised | SHEET NO.               | 12       |  |
|                                 |             |                         |          |  |

| CLASSIFICATION OF SERVICE  |  |         |           |             |                  |  |  |
|--|--|---------|-----------|-------------|------------------|--|--|
| STANDBY POWER RATE - RATE 4  |  |         |           |             | RATE<br>PER UNIT |  |  |
| Electric power stati  TYPE OF SERVIC  Three-phase  RATE  Demand Ch  The identica | arge al demand billed by East Kentucky P | County, | Kentucky. |             |                  |  |  |
| wholesale power in  Energy Cha   | voice for that particular month.         |         |           |             |                  |  |  |
| First  | 100 kWh per KW demand                    | @       | \$.04669  | per kWh     | (R)              |  |  |
| Next   | 100 kWh per KW demand                    | @       | .04079    | per kWh     | (R)              |  |  |
| All Over   | 200 kWh per KW demand                    | @       | .03492    | per kWh     | (R)              |  |  |
|  |  |         |           |             |                  |  |  |
|  |  |         |           | OF KENTUCKY | SION             |  |  |

DATE OF ISSUE:

May 1, 2003

**EFFECTIVE DATE:** 

EFFECTIVE May 1, 2003

ISSUED BY:

President & CEO

Shelbyville, KY 40065

MAY (1) Addless

Issued by authority of an Order of the Public Service Commission of Kpntkgfx,itt 10 807 KAR 5 019 Case No. 2002-00449 Dated Apr集長で対象的 92003

Chango le Dorne EXECUTIVE DIRECTOR

| Form for filing Rate Schedules   | FOR   | All Territory Served   |
|--|---|--|
|  |   | Community, Town or City  |
|  | P.S.C. No.  | 5  |
| - No. Francis Comparation Inc  | Original  | SHEET NO. 13   |
| elby Energy Cooperative, Inc. Shelbyville, Kentucky  | CANCELLI  | NG P.S.C. NO.  |
| Name of Issuing Corporation  | hanna ann an a                     | SHEET NO.  |
| ,  |   |  |
| CLASSIFICATION OF SEF  | RVICE   |  |
| STANDBY POWER RATE   | E - RATE 4  | RATE<br>PER UNIT   |
| DETERMINATION OF BILLING DEMAND:   |   |  |
| The billing demand shall be the maximum kilowatt dema consumer for any period of fifteen (15) consecutive minutes during the bill is rendered, as indicated or recorded by a demand meter factor as provided below.  | ing the month for wh  | ich  |
| POWER FACTOR ADJUSTMENT:  The consumer agrees to maintain unity power factor as not power factor may be measured at any time. Should such measured the power factor at the time of his maximum demand is less that demand for billing purposes shall be the demand as indicated or demand meter multiplied by 0.90 (90%) and divided by the power factor as no powe | rements indicate that<br>n 0.90 (90%), the<br>recorded by the |  |
| FUEL ADJUSTMENT CLAUSE:  |   |  |
| This rate may be increased or decreased by an amount per fuel adjustment amount per kWh as billed by the wholesale pow allowance for line losses. The allowance for line losses will not based on a twelve-month moving average of such losses. This I to all other applicable provisions as set out in 807 KAR 5:056.   | exceed 10% and is<br>Fuel Clause is subject                   | EFFECTIVE<br>t<br>JUN 04 1997  |
|  | PURSL<br>BY: <u>S</u><br>SECRE                                | JANT TO 807 KAR 5:011.<br>SECTION 9 ()<br>Rephan() BLU<br>TARY OF THE COMPISSION |
| DATE OF ISSUE: June 11, 1997   | EFFECTIVE DATE:   | June 4, 1997   |
| SUED BY: President & General Name of Officer Title   | ral Manager   | Shelbyville, KY 40065 Address  |
| Issued by authority of an Order of the Public Service  | Commission of Kent  | ucky in  |

Dated \_\_\_\_\_

| n for filing Rate Schedules  | FOR  | All Territor  |                  |
|--|--|---|------------------|
|  | P.S.C. No.   | -   | , Town or C<br>5 |
|  |  | SHEET NO.   |                  |
| by Energy Cooperative, Inc.  |  |   |                  |
| byville, Kentucky  | CANCELLI   | NG P.S.C. NO.   |                  |
| Name of Issuing Corporation  |  | SHEET NO.   |                  |
| CLASSIFICATION OF  | SERVICE  |   |                  |
| STANDBY POWER  | RATE - RATE 4  |   | RATE<br>PER UN   |
| MINIMUM MONTHLY CHARGE:  |  |   |                  |
| As specified in an "Agreement" for electric service October 25, 1979.                            | dated October 4 and                                    |   |                  |
| SPECIAL PROVISIONS:  |  |   |                  |
| Motor loads will be added in increments that will n changes for other consumers on this circuit. | ninimize transient voltage                             |   |                  |
| TERMS OF PAYMENT:  |  |   |                  |
| As specified in an "Agreement" for electric service October 25, 1979.                            | dated October 4 and                                    |   |                  |
| į  |  |   |                  |
| THIS RATE IS SUBJECT TO ADJUSTMENT AT<br>ENERGY COOPERATIVE ADJUSTS ITS OTHE                     | T ANY TIME SHELBY<br>ER RATE SCHEDULE <mark>NUB</mark> | LIC SERVICE (<br>OF KENTU<br>EFFECTI                      | CKY              |
|  |  | JUN 04  | 1997             |
|  | Ву:  | SUANT TO 807<br>SECTION 9<br>STREPHAND<br>RETARY OF THE C | (1)<br>Bu        |
| 'E OF ISSUE: June 11, 1997   | EFFECTIVE DATE:  |   | e 4, 1997        |
|  | General Manager  |   | lie, KY 400      |

| Dudley Betto                    | ~. b.       | President & General Manager         | Shelbyville, KY 40065 |
|---------------------------------|-------------|-------------------------------------|-----------------------|
| Name of Officer                 | 0           | Title                               | Address               |
| Issued by authority of Case No. | an Order of | the Public Service Commission Dated | of Kentucky in        |

| Form for filing Rate Schedule   | FOR          | All Territory Served    |    |
|---------------------------------|--------------|-------------------------|----|
|                                 |              | Community, Town or City |    |
|                                 | P.S.C. NO.   |                         | 5  |
|                                 | 8th Revised  | Sheet No.               | 15 |
| Shelby Energy Cooperative, Inc. | Cancelling P | .S.C. NO.               | 5  |
| Shelbyville, Kentucky           | 7th Revised  | Sheet NO                | 15 |
| Name of Issuing Corporation     |              |                         |    |

| CLASSIFICATION  | OF SERVICE  |                  |
|---|---|------------------|
| OFF-PEAK RETAIL MARKETIN  | G RATE (ETS)  | Rate<br>Per Unit |
| AVAILABILITY OF SERVICE:  |   |                  |
| This special marketing rate is made as an atta<br>all other terms of that rate apply except those covered he<br>marketing programs as approved by Shelby Energy's Boa   | re. It is available for specific  |                  |
| The electric power furnished under this marke<br>metered for each point of delivery and is applicable durin<br>This rate is available to customers already receiving serv<br>This marketing rate applies only to programs which are e<br>Service Commission to be offered under the Marketing R<br>Cooperative's Wholesale Power Rate Schedule E. | g the below listed off-peak hours.<br>ice under Rate GS-1 & Rate 10.<br>xpressly approved by the Public |                  |
| <u>Months</u>   | Hours Applicable - EST  |                  |
| May through September   | 10:00 P.M. to 10:00 A.M.  |                  |
| October through April   | 12:00 Noon to 5:00 P.M.<br>10:00 P.M. to 7:00 A.M.  |                  |
| <u>Rates</u>  |   |                  |
| The energy rate for this program is as listed below:  |   |                  |
| All kWh \$0.05312   | per kWh   | (1)              |

| All kWh                          | \$0.05312  | per kvvn      | (1)   |
|----------------------------------|--|---------------|---|
| DATE OF ISSUE                    | July 21, 2009  | DATE EFFECTIV | VE: August 1, 2009  |
| ISSUED BY Issued by aut Case No. | Name of Officer thority of an Order of the Public 2008-00536 | PU[           | President & CEO BLIC SERVICE COMMISSION OF KENTUCKY Sion of Kentuck Entive 8/1/2009 PURSUANT TU 309 IKAR 5:011 SECTION 9 (1) Executive Director |

|   | FOR   | All Territory Served   |
|---|---|--|
|   |   | Community, Town or City  |
|   | P.S.C. No.  | 5  |
| elby Energy Cooperative, Inc.   | Original  | SHEET NO. 16   |
| helbyville, Kentucky  | CANCELLIN   | IG P.S.C. NO.  |
| Name of Issuing Corporation   |   | SHEET NO.  |
| CLASSI  | IFICATION OF SERVICE  |  |
| OFF-PEAK  | RETAIL MARKETING RATE (ETS)   | RATE<br>PER UNIT   |
| TERMS OF PAYMENT:   |   |  |
| The above rates are net; the gross ramonthly bill is not paid by the due date as s  | ates are 10% higher. In the event the curre shown on the bill, the gross rate shall apply               |  |
| FUEL ADJUSTMENT CHARGE:   |   |  |
| decreased by an amount per kWh equal to t<br>billed by the Wholesale Power Supplier plu                                       |   |  |
| for line losses will not exceed ten percent (moving average of such losses. This Fuel provisions as set out in 807 KAR 5:056. | 10%) and is based on a twelve (12) month Clause is subject to all other applicable                      |  |
| moving average of such losses. This Fuel (  | Clause is subject to all other applicable  PUBLIC SERVI  OF KE  EFF                                     | CE COMMISSION<br>ECTIVE  |
| moving average of such losses. This Fuel 0  | Clause is subject to all other applicable  PUBLIC SERVI  OF KE  EFF                                     | CE COMMISSION  |
| moving average of such losses. This Fuel 0  | Clause is subject to all other applicable  PUBLIC SERVI  OF KE  EFF  JUN  PURSUANT TO  SECT  BY: Siecha | CE COMMISSION<br>INTUCKY<br>ECTIVE   |
| moving average of such losses. This Fuel 0  | Clause is subject to all other applicable  PUBLIC SERVI  OF KE  EFF  JUN  PURSUANT TO  SECT  BY: Siecha | CE COMMISSION ENTUCKY ECTIVE  () 4 1997  D 807 KAR 5:011. FION 9 (1)  W BLUE |
| moving average of such losses. This Fuel 0  | Clause is subject to all other applicable  PUBLIC SERVI  OF KE  EFF  JUN  PURSUANT TO  SECT  BY: Siecha | CE COMMISSION ENTUCKY ECTIVE  () 4 1997  D 807 KAR 5:011. FION 9 (1)  W BLUE |

| Form for filing Rate Schedule   | FOR All Territory Served |     |
|---------------------------------|--------------------------|-----|
|                                 | Community, Town or City  |     |
|                                 | P.S.C. N0.               | 5   |
|                                 | 6th Revised Sheet No.    | 17  |
| Pholiby Engravy Cooperative Inc | Consuling D.C. NO.       | -   |
| Shelby Energy Cooperative, Inc. | Cancelling P.S.C. NO.    | - 0 |
| Shelbyville, Kentucky           | 5th Revised Sheet No.    | 17  |
| Name of Issuing Corporation     |                          |     |

|   | CLASSIFICATION OF SERVICE   | CE                            |                                   |                  |
|---|---|-------------------------------|-----------------------------------|------------------|
| . 1   | ARGE INDUSTRIAL RATE - SCHEDL   | JLE B1                        |                                   | Rate<br>Per Unit |
| AVAILABILITY:   |   |                               |                                   |                  |
|   | tracts with demands of 500 to 4,999 KW with a renours per KW of contract demand.  | monthly energ                 | gy usage                          |                  |
| MONTHLY RATE:   |   |                               |                                   |                  |
| Demand Charge p<br>Excess<br>Energy Charge pe           | oer KW of Contract Demand<br>oer KW for Billing Demand in<br>s of Contract Demand   | \$\$ \$\$ \$\$                | 590.43<br>5.94<br>8.63<br>0.05671 | (1)              |
| demand. Excess demand oc<br>exceeds the contract demand | d (kilowatt demand) shall be the contract deman<br>curs when the consumer's peak demand during<br>I. The load center's peak demand is the highest<br>any fifteen-minute interval in the below listed hou<br>as provided herein: | the current n<br>average rate | nonth<br>at                       |                  |
| <u>Months</u>   | Hours Applicabl<br>Demand Billing -   |                               |                                   |                  |
| October through April                                   | 7:00 A.M. to 12:00<br>5:00 P.M. to 10:00  |                               |                                   |                  |
| May through September                                   | 10:00 A.M. to 10:00   | P.M.                          |                                   |                  |
| L   |   |                               |                                   | L                |

| 009           |
|---------------|
|               |
| MMISSION<br>Y |
| R 5:011       |
| Y             |

| m for fili                | ng Rate Schedules   | FOR                           | All Territor             | / Served         |
|---------------------------|---|-------------------------------|--------------------------|------------------|
|                           |   |                               | Community                | , Town or Cit    |
|                           |   | P.S.C. No.                    |                          | 5                |
|                           |   | Original                      | SHEET NO.                | 18               |
| -                         | rgy Cooperative, Iпс.<br>Kentucky   | CANCELL                       | ING P.S.C. NO.           |                  |
|                           | Name of Issuing Corporation   |                               | SHEET NO.                |                  |
|                           | tailed of logaling corporation  |                               |                          |                  |
|                           | CLASSIFICATION OF SERVICE   | PUBLIC                        | SERVICE COM              | MISSION          |
|                           | LARGE INDUSTRIAL RATE SCHED   | ULE B1                        | EFFECTIVE                | RATE<br>PER UNIT |
|                           | MUM MONTHLY CHARGE:   |                               | JUN O.4 19               |                  |
| The n                     | ninimum monthly charge shall not be less than the sum of (a) throu  |                               |                          | R 5:011.         |
| (a)                       | Consumer Charge.  |                               | FEDRAND BETARY OF THE CO | IMISSION         |
| (b)                       | The product of the contract demand multiplied by the contract de<br>the product of the demand in excess of the contract demand mult<br>excess of contract demand charge.  | _                             |                          |                  |
| (c)                       | The product of the contract demand multiplied by 400 hours and per kWh.   | the energy                    | charge                   |                  |
| (d)                       | Contract provisions that reflect special facilities requirements.   |                               |                          |                  |
| POW                       | ER FACTOR ADJUSTMENT:   |                               |                          |                  |
| may t<br>the tin<br>shall | onsumer agrees to maintain unity power factor as nearly as practicate measured at any time. Should such measurements indicate that to me of his billing demand is less than 0.90 (90%), the demand for the bethe demand as indicated or recorded, multiplied by 0.90 (90%) are factor.          | the power fa<br>se billing pu | ctor at                  |                  |
| FUEI                      | . ADJUSTMENT CLAUSE:  |                               |                          |                  |
| amou<br>The a<br>avera    | rate may be increased or decreased by an amount per kWh equal to not per kWh as billed by the wholesale power supplier plus an allow allowance for line losses will not exceed 10% and is based on a twe ge of such losses. The Fuel Clause is subject to all other applicable a 807 KAR 5:056. | vance for lin<br>lve-month n  | e losses.<br>noving      |                  |
| TE OF IS                  | SUE: June 11, 1997 EFFECTI  | VE DATE:                      | June                     | 4, 1997          |
| UED BY:                   | 9-1/0-1   | ager                          | Shelbyvil                | le, KY 4006      |

Case No.

| Form for filing Rate                    | e Schedules  |  | FOR                                   | All Territor            | y Served         |
|---|--|--|---------------------------------------|-------------------------|------------------|
|   |  |  |                                       |                         | , Town or City   |
|   |  |  | P.S.C. No.                            |                         | 5                |
| _                                       |  |  | Original                              | SHEET NO.               | 19               |
| `elby Energy Cod<br>Shelbyville, Kentud |  |  | CANCELLING P.S.C. NO.                 |                         |                  |
| Nam                                     | e of Issuing Corporation   |  |                                       | SHEET NO.               |                  |
|   | CLASSIFI   | ICATION OF SERVICE   |                                       |                         |                  |
|   | LARGE INC  | OUSTRIAL RATE SCHEDU   | LE B1                                 |                         | RATE<br>PER UNIT |
| SPECIAL P                               | ROVISIONS:   |  |                                       |                         |                  |
| 1.                                      | Delivery Point - If service is f point shall be the metering pofor service.  |  |                                       |                         |                  |
|   | All wiring, pole lines, and oth delivery point shall be owned  |  |                                       | f the                   |                  |
| 2.                                      | If service is furnished at Selles shall be the point of attachment transformer structure unless of service. All wiring, pole lines metering equipment) on the le | nt of Seller's primary line to<br>therwise specified in the conf<br>s, and other electric equipmen | consumer's<br>tract for<br>nt (except |                         | ICKY<br>IVE      |
| mpp140 of                               | owned and maintained by the  | consumer.  | PUR                                   | SUANT TO 801<br>SECTION | KAR 5:011.       |
| TERMS OF                                | PAYMENT:   |  | BY:                                   | Stephan0                | Bu               |
|   | above rates are net; the gross rate is not paid by the due date as sh  | <del>-</del>   |                                       | ıt                      | COMMISSION       |
| TEMPORA                                 | RY SERVICE:  |  |                                       |                         |                  |
| to pay all co                           | sumers requiring temporary servious of connecting and disconnect In addition to this, a deposit will y. Both fees will be paid in advan                          | ing incidental to the supplying<br>be required to cover estimate                                   | ng and remo                           | oving                   |                  |
|   |  |  |                                       |                         |                  |
|   | June 11, 1997  | EFFECTIV   | 'E DATE:                              | Jun                     | e 4, 1997        |

| Form for filing Rate Schedule   | FOR          |                         |    |
|---------------------------------|--------------|-------------------------|----|
|                                 |              | Community, Town or City |    |
|                                 | P.S.C. NO.   |                         | 5  |
|                                 | 6th Revised  | Sheet No.               | 20 |
| Shelby Energy Cooperative, Inc. | Cancelling P | .S.C. No.               | 5  |
| Shelbyville, Kentucky           | 5th Revised  | Sheet No.               | 20 |
| Name of Issuing Corporation     |              |                         |    |

| CLASSIFICATION  | ON OF SERVICE  |                   |                  |                  |
|---|--|-------------------|------------------|------------------|
| LARGE INDUSTRIAL  | RATE - SCHEDULE B  | 2                 |                  | Rate<br>Per Unit |
| AVAILABILITY:  Applicable to contracts with demands of 5,00   | 0 to 9,999 KW with a month                                 | ily ene           | rgy usage        |                  |
| equal to or greater than 400 hours per KW of contract de MONTHLY RATE:  | mand.  |                   |                  |                  |
| Consumer Charge<br>Demand Charge per KW of Contract Demand<br>Demand Charge per KW for Billing Demand   |  | \$<br>\$          | 1,179.75<br>5.94 |                  |
| Excess of Contract Demand<br>Energy Charge per kWh  |  | \$<br>\$          | 8.63<br>0.05119  | (1)              |
| BILLING DEMAND:  The billing demand (kilowatt demand) shall to demand. Excess demand occurs when the consumer's exceeds the contract demand. The load center's peak of which energy is used during any fifteen-minute interval if and adjusted for power factor as provided herein: | peak demand during the cur<br>lemand is the highest averag | rent m<br>ge rate | onth<br>⊧at      |                  |
| <u>Months</u>   | Hours Applicable for<br>Demand Billing - EST               |                   |                  |                  |
| October through April   | 7:00 A.M. to 12:00 Noon<br>5:00 P.M. to 10:00 P. M.        |                   |                  |                  |
| May through September   | 10:00 A.M. to 10:00 P.M.                                   |                   |                  |                  |

| May through September |   | 10:00 A.M. to      | o 10:00 P.M. |  |
|-----------------------|---|--------------------|--------------|--|
| DATE OF ISSUE         | July 21, 2009                                 | DATE EFFE          | CTIVE:       | August 1, 2009   |
| Issued by au Case No. | Name of Officer thority of an Order of the Pu | ublic Service Comm | ł            | President & CEO C SERVICE COMMISSION C SERVICE C |

| Form for fil           | ing Rate Schedules   | FOR  | All Territory Served  |
|------------------------|--|--|---|
|                        |  | P.S.C. No.   | Community, Town or City 5   |
|                        |  | Original   |   |
| •                      | rgy Cooperative, Inc.  |  | Extraction of the Contract of |
| Shelbyville            | , Kentucky   | CANCELLIN  | NG P.S.C. NO.   |
|                        | Name of Issuing Corporation  |  | SHEET NO.   |
|                        | CLASSIFICATION   | I OF SERVICE   |   |
|                        | LARGE INDUSTRIA  | L RATE SCHEDULE B2   | RATE<br>PER UNIT  |
| MIN                    | IMUM MONTHLY CHARGE:   |  |   |
| The                    | minimum monthly charge shall not be less than the  | e sum of (a) through (d) below                                       | r:  |
| (a)                    | Consumer Charge.   |  |   |
| (b)                    | The product of the contract demand multiplied<br>the product of the demand in excess of the cont<br>excess of contract demand charge.  | •  | - 1   |
| (c)                    | The product of the contract demand multiplied per kWh.   | by 400 hours and the energy c  | 3LIC SERVICE COMMISSION<br>harge OF KENTUCKY<br>EFFECTIVE   |
| (d)                    | Contract provisions that reflect special facilities  | s requirements.  | JUN 04 1997   |
| POW                    | ER FACTOR ADJUSTMENT:  |  | SECTION 9 (1)   |
| may<br>the ti<br>shall | consumer agrees to maintain unity power factor as<br>be measured at any time. Should such measurement<br>time of his billing demand is less than 0.90 (90%),<br>be the demand as indicated or recorded, multiplied<br>or factor.   | ents indicate that the power fact<br>the demand for the billing purp | poses   |
| FUE                    | L ADJUSTMENT CLAUSE:   |  |   |
| amou<br>The a<br>avera | rate may be increased or decreased by an amount out per kWh as billed by the wholesale power suppallowance for line losses will not exceed 10% and age of such losses. The Fuel Clause is subject to an 807 KAR 5:056.   | plier plus an allowance for line is based on a twelve-month m        | e losses.<br>oving  |
| DATE OF IS             | SSUE: June 11, 1997  | EFFECTIVE DATE:  | June 4, 1997  |
| SUED BY                | The state of the s | nt & General Manager   | Shelbyville, KY 40065<br>Address  |

Case No.

| Form for filing Rate         | : Schedules   |   | FOR                             | All Territor          | y Served                                |
|------------------------------|---|---|---------------------------------|-----------------------|---|
| , om for ming race           |   |   |                                 |                       | , Town or City                          |
|                              |   |   | P.S.C. No.                      |                       | 5                                       |
|                              |   |   | Original                        | SHEET NO.             | 22                                      |
| elby Energy Coo              | perative, Inc.  |   |                                 | -                     |   |
| Shelbyville, Kentud          | :ky   |   | CANCELLIN                       | NG P.S.C. NO.         |   |
| Nam                          | e of Issuing Corporation  | _   |                                 | SHEET NO.             |   |
|                              | CLASSIF   | ICATION OF SERVICE  |                                 |                       |   |
|                              | LARGE INI   | OUSTRIAL RATE SCHEDUL   | E B2                            |                       | RATE<br>PER UNIT                        |
| SPECIAL P                    | ROVISIONS:  |   |                                 |                       |   |
| 1.                           |   | urnished at secondary voltage,<br>int unless otherwise specified  |                                 |                       |   |
|                              |   | er electric equipment on the lo<br>and maintained by the consun   |                                 | f the                 |   |
| 2.                           | transformer structure unless o service. All wiring, pole lines  | nt of Seller's primary line to co<br>therwise specified in the control,<br>and other electric equipment<br>oad side of the delivery point s | onsumer's<br>act for<br>(except | FJBLIC SEF<br>OF<br>E | IVICE COMMISSIC<br>KENTUCKY<br>FFECTIVE |
| TERMS OF                     | PAYMENT:  |   |                                 | JUN<br>Pursuant       | TO 807 KAR 5:01:                        |
| The<br>monthly bill          | above rates are net; the gross rate is not paid by the due date as sh   | es are 5% higher. In the event own on the bill, the gross rate  | the currer<br>shall appl        | SEO                   | TION 9 (1)                              |
| TEMPORA                      | RY SERVICE:   |   |                                 |                       |   |
| to pay all co<br>of service. | sumers requiring temporary servings of connecting and disconnect in addition to this, a deposit will y. Both fees will be paid in advan | ing incidental to the supplying be required to cover estimated  | and remo                        | oving                 |   |
| DATE OF ISSUE:               | June 11, 1997   | EFFECTIVE   | DATE:                           | Jun                   | e 4, 1997                               |
| SUED BY:                     | Dudley Bitton Jr. Name of Officer   | President & General Manage  | r                               | Shelbyv<br>Addres     | ille, KY 40065<br>s                     |
|                              | Issued by authority of an Order o<br>Case No.   | f the Public Service Commissio  |                                 | ucky in               |   |

| Form for filing Rate Schedule                            | FOR All Territory Served Community, Town or    | Citv     |
|--|--|----------|
|  | P.S.C. N0.<br>6th Revised Sheet No.            | 5<br>23  |
| Shelby Energy Cooperative, Inc.<br>Shelbyville, Kentucky | Cancelling P.S.C. No.<br>5th Revised Sheet No. | <u>5</u> |

Name of Issuing Corporation

| CLASSI  | FICATION OF SERVICE   | •                         |             | ٠                |
|---|---|---------------------------|-------------|------------------|
| LARGE INDU  | STRIAL RATE - SCHEDUL   | E B3                      |             | Rate<br>Per Unit |
| AVAILABILITY;   | 4   |                           |             |                  |
| Applicable to contracts with dema<br>usage equal to or greater than 400 hours per | ands of 10,000 kW and over with a kW of contract demand.  | monthly er                | nergy       |                  |
| MONTHLY RATE:   |   |                           |             |                  |
| Energy Charge per kWh  BILLING DEMAND:  | 5,000 kVa and greater cess of Contract Demand nand) shall be the contract demand consumer's peak demand during th er's peak demand is the highest avo | e current n<br>erage rate | nonth<br>at | (1)              |
| <u>Months</u>   | Hours Applicable t<br>Demand Billing - E  |                           |             |                  |
| October through April   | 7:00 A.M. to 12:00 No<br>5:00 P.M. to 10:00 P.  |                           |             |                  |
| May through September   | 10:00 A.M. to 10:00 F   | P.M.                      |             |                  |

| DATE OF ISSUE | June 21, 2009                    | DATE EFFECTIVE:          | August I, 2009                                      |
|---------------|----------------------------------|--------------------------|---|
| ISSUED BY     | Name of Officer                  | TIPLE                    | BLIC SERWICE COMMISSION<br>OF KENTUCKY<br>EFFECTIVE |
| Issued b      | y authority of an Order of the F | ublic Service Commission | of Kentucky 8/1/2009                                |
| Case No       |                                  |                          | PURSUANTIN 058200RAR 5:011                          |
|               |                                  | 1                        | SECTION 9 (1)                                       |
|               |                                  |                          | I DR  |

| Form for filing Rate Schedule   | FOR          | All Territory Served    |    |
|---------------------------------|--------------|-------------------------|----|
|                                 |              | Community, Town or City |    |
|                                 | P.S.C. NO.   |                         | 5  |
|                                 | 1st Revised  | Sheet No.               | 24 |
| Shelby Energy Cooperative, Inc. | Canceling P. | .S.C. No.               | 5  |
| Shelbyville, Kentucky           | Original She | et No.                  | 24 |
| Name of Issuing Corporation     |              |                         |    |

| CLASSIFICATION OF SERVICE   |                  |  |  |
|---|------------------|--|--|
| LARGE INDUSTRIAL RATE SCHEDULE B3   | Rate<br>Per Unit |  |  |
| MINIMUM MONTHLY CHARGE:   |                  |  |  |
| The minimum monthly charge shall not be less than the sum of (a) through (d) below:   |                  |  |  |
| (a) Consumer Charge   |                  |  |  |
| (b) The product of the contract demand multiplied by the contract demand charge, plus<br>the product of the demand in excess of the contract demand multiplied by the in<br>excess of contract demand charge.   |                  |  |  |
| (c) The product of the contract demand multiplied by 400 hours and the energy charge per kWh minus the fuel base per kWh.   | Т                |  |  |
| (d) Contract provisions that reflect special facilities requirements  |                  |  |  |
| POWER FACTOR ADJUSTMENT:  |                  |  |  |
| 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 billing demand is less than 0.90 (90%), the demand for the billing purposes shall be the demand as indicated or recorded, multiplied by 0.90 (90%) and divided by the power factor.           |                  |  |  |
| FUEL ADJUSTMENT CLAUSE:   |                  |  |  |
| 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 807 KAR 5:056 |                  |  |  |
|   |                  |  |  |

| amount per kWh as bill<br>The allowance for line | led by the wholesale power losses will not exceed 10% s. The Fuel Clause is subje | supplier plus an al<br>and is based on a | lowance for line losses.<br>twelve-month moving |                             |
|--|---|--|---|-----------------------------|
| DATE OF ISSUE                                    | July 20, 2004   | DATE EFF                                 |   | 2004<br>AMISSION            |
| •  | Name of Officer   | - Charles                                | OF KENTUCK<br>EFFECTIVE                         | Y                           |
| Issued by a                                      | outhority of an Order of the  | Public Service Com                       | mission of Kentucky in /2004                    | 4                           |
| Case No.   | 2004-00195  |  | Dated<br>PURSUANT TO 307 KA<br>SECTION 9 (1)    | <del>\$\frac{1}{5:011</del> |
|  |   |  | By Executive Director                           | Dr                          |
|  |   |  |   |                             |

| orm for filing Rate Schedules   | FOR                                   | All Territor                         | y Served                                 |
|---|---------------------------------------|--------------------------------------|--|
|   |                                       |                                      | , Town or City                           |
|   | P.S.C. No.                            |                                      | 5  |
|   | Original                              | SHEET NO.                            | 25                                       |
| elby Energy Cooperative, Inc.<br>nelbyville, Kentucky   | CANCELLIN                             | NG P.S.C. NO.                        |  |
| Name of Issuing Corporation   |                                       | SHEET NO.                            |  |
| CLASSIFICATION OF SERVICE   |                                       |                                      |  |
| LARGE INDUSTRIAL RATE SCHEDU  | ILE B3                                |                                      | RATE<br>PER UNIT                         |
| SPECIAL PROVISIONS:   |                                       |                                      |  |
| 1. <u>Delivery Point</u> - If service is furnished at secondary voltage point shall be the metering point unless otherwise specified for service.   |                                       |                                      |  |
| All wiring, pole lines, and other electric equipment on the delivery point shall be owned and maintained by the consu   | load side or<br>imer.                 | f the                                |  |
| 2. If service is furnished at Seller's primary line voltage, the shall be the point of attachment of Seller's primary line to transformer structure unless otherwise specified in the conservice. All wiring, pole lines, and other electric equipment metering equipment) on the load side of the delivery point owned and maintained by the consumer. | consumer's<br>tract for<br>nt (except | s<br>Public Servic<br>Of Kei<br>Effe | E COMMISSION<br>TUCKY<br>CTIVE<br>4 1997 |
| TERMS OF PAYMENT:   | P                                     | URSUANT TO                           | 07 KAR 5:011,<br>N 9 (1)                 |
| The above rates are net; the gross rates are 5% higher. In the even monthly bill is not paid by the due date as shown on the bill, the gross rate   |                                       | nt Stephanl                          | Bu                                       |
| TEMPORARY SERVICE:  |                                       |                                      |  |
| Consumers requiring temporary service under this rate schedule not to pay all costs of connecting and disconnecting incidental to the supplying of service. In addition to this, a deposit will be required to cover estimated  | ng and remo                           | oving                                |  |
| of electricity. Both fees will be paid in advance.  |                                       |                                      |  |
|   | /E DATE:                              | Jur                                  | ne 4, 1997                               |

Case No.

| Form for filing Rate Schedule   | FOR           | All Territory Served    |    |
|---------------------------------|---------------|-------------------------|----|
|                                 |               | Community, Town or City |    |
|                                 | P.S.C. NO.    |                         | 5  |
|                                 | 6th Revised   | Sheet No.               | 26 |
| Shelby Energy Cooperative, Inc. | Cancelling P. | S.C. No.                | 5  |
| Shelbyville, Kentucky           | 5th Revised S | Sheet No.               | 26 |
| Name of Issuing Corporation     |               | •                       |    |

|  | CLAS   | SIFICATION OF S  | ERVICE   |                           |                  |
|--|--|--|--|---------------------------|------------------|
|  | LARGE IND  | OUSTRIAL RATE - S  | CHEDULE C1   |                           | Rate<br>Per Unit |
| usage equal to or greatwo "two-party" contra | ater than 400 hours po<br>cts with the first one l | nands of 500 to 4,999 KW<br>er KW of contract billing o<br>being between the Seller a<br>reen the Seller and the ulti    | lemand. These contraction and the Cooperative        |                           |                  |
| MONTHLY RATE:                                |  |  |  |                           |                  |
|  | Charge<br>harge per KW of billi<br>arge per kWh    | ng demand  | \$<br>\$   | 590.43<br>5.94<br>0.05671 | (1)              |
| BILLING DEMAND:                              |  |  |  |                           |                  |
| The month                                    | nly billing demand sha                             | all be the greater of (a) or   | (b) listed below:                                    |                           |                  |
| (a)<br>(b)                                   | eleven months. The energy is used durir            | nd<br>mer's peak demand during<br>e peak demand shall be th<br>ng any fifteen-minute inter<br>justed for power factor as | ne highest average rate<br>val in the below listed l | at which                  |                  |
| <u>Months</u>                                |  |  | Applicable for<br>I Billing - EST                    |                           |                  |
| October through April                        | g .  |  | to 12:00 Noon<br>to 10:00 P. M.                      |                           |                  |
| May through Septemb                          | oer  | 10:00 A.M  | . to 10:00 P.M.                                      |                           |                  |

| (0)                   | eleven months. The peak dem<br>energy is used during any fifte<br>each month and adjusted for p | nand shall be the<br>en-minute interva           | highest average<br>Il in the below li | e rate at which                              |     |  |
|-----------------------|---|--|---------------------------------------|--|-----|--|
| <u>Months</u>         |   | Hours Applicable for <u>Demand Billing - EST</u> |                                       |  |     |  |
| October through April | 3   | 7:00 A.M. to<br>5:00 P.M. to                     |                                       |  |     |  |
| May through Septemb   | per   | 10:00 A.M. to                                    | o 10:00 P.M.                          |  |     |  |
| DATE OF ISSUE         | July 21, 2009   | DATE EFFE  | CTIVE:                                | August 1, 2                                  | 009 |  |
| ISSUED BY             | Name of Officer   | asteri   | PUBLIC                                | President & CEO<br>SERVICE CON<br>OF KENTUCK |     |  |
| Issued by             | authority of an Order of the Put  | olic Service Comr                                | B                                     |  | •   |  |
| Case No.              | 2008-00536  | <del>-</del>                                     | Dated PURS                            | UANJUIVO BOZDOO<br>SECTION 9 (1)             |     |  |
|                       |   |  | вуД                                   | Lecutive Directo                             | or  |  |
|                       |   |  |                                       |  |     |  |

| Form for filing Rate          | Schedules  |  | FOR                  | All Territor         | / Served          |
|-------------------------------|--|--|----------------------|----------------------|-------------------|
| _                             |  |  | 555.                 | -                    | Town or City      |
|                               |  |  | P.S.C. No.           |                      |                   |
| elby Energy Coo               | perative, Inc.   |  | Original             | SHEET NO.            |                   |
| Shelbyville, Kentuc           | •  |  | CANCELLI             | NG P.S.C. NO.        |                   |
| Name                          | of Issuing Corporation   | Maria Ma |                      | SHEET NO.            |                   |
|                               | CLASSIF  | ICATION OF SERVICE   |                      |                      |                   |
|                               | LARGE INDUSTRIA  | L RATE SCHEDULE C1   |                      |                      | RATE<br>PER UNIT  |
| MINIMUM 1                     | MONTHLY CHARGE:  |  |                      |                      |                   |
| The minimum                   | n monthly charge shall not be le   | ss than the sum of (a) and (b)   | below:               |                      |                   |
|                               | uct of the billing demand multipuct of the billing demand multip   |  |                      | e per kWh.           |                   |
| POWER FAC                     | CTOR ADJUSTMENT:   |  |                      |                      |                   |
| may be meas<br>the time of hi | er agrees to maintain unity power<br>ured at any time. Should such notes maximum demand is less than<br>emand as indicated or recorded,  | neasurements indicate that the $0.90 (90\%)$ , the demand for $0.90 (90\%)$                                    | power factorial      | ctor at<br>poses     |                   |
| FUEL ADJU                     | STMENT CLAUSE:   |  |                      |                      |                   |
| amount per k<br>The allowand  | who be increased or decreased by an Wh as billed by the wholesaler part for line losses will not exceed the challenge of the Fuel Clause is supply the supply the first supply t | power supplier plus an allowa<br>10% and is based on a twelve  | nce for line-month m | e losses.<br>oving   |                   |
| SPECIAL PF                    | ROVISIONS:   |  |                      |                      | VICE COMMISSION   |
| 1                             | ery Point - If service is furnished<br>emetering point unless otherwis   | -  |                      |                      | FECTIVE  0 4 1997 |
|                               |  |  |                      | PURSUANT             | 0.807 KAR 501     |
| DATE OF ISSUE:                | June 11, 1997  | EFFECTIVE  | DATE:                | SEC                  | TON 941)          |
| SUED BY:                      | Dudly Better. J.   | President & General Manage   | r                    | SERIARVII<br>Address | E,THEICOMMISSION  |
|                               | ssued by authority of an Order of ase No.  | the Public Service Commission  |                      | ıcky in              |                   |

| m for filing      | Rate Schedules   | 1  | OR                             | All Territor        |                                |
|-------------------|--|--|--------------------------------|---------------------|--------------------------------|
|                   |  |  | P.S.C. No.                     | Community           | , Town or Cit<br>5             |
|                   |  |  |                                | SHEET NO.           |                                |
| elby Energy       | / Cooperative, Inc.  | -  | Original                       | officer no.         |                                |
| elbyville, Ko     | entucky  | <b>-</b>   | CANCELLI                       | NG P.S.C. NO.       |                                |
|                   | Name of Issuing Corporation  | -  |                                | SHEET NO.           |                                |
| •                 | CLASSIFIC  | CATION OF SERVICE  |                                |                     |                                |
|                   | LARGE INDU   | JSTRIAL RATE - SCHEDUL   | E C1                           |                     | RATE<br>PER UNI                |
| SPECIA            | AL PROVISIONS (continued):   |  |                                |                     |                                |
|                   | All wiring, pole lines, and other electri<br>point shall be owned and maintained b   |  | of the del                     | livery              |                                |
|                   | If service is furnished at Seller's prima<br>the point of attachment of Seller's prima<br>structure unless otherwise specified in<br>lines, and other electric equipment (ex-<br>side of the delivery point shall be own | nary line to consumer's transforthe contract for service. All we cept metering equipment) on the | ormer<br>viring, po<br>ne load |                     |                                |
| TERMS             | S OF PAYMENT:  |  |                                |                     |                                |
|                   | The above rates are net; the gross rates y bill is not paid by the due date as sho   |  |                                |                     |                                |
| TEMPO             | DRARY SERVICE:   |  |                                |                     |                                |
| to pay a service. | Consumers requiring temporary service all costs of connecting and disconnecting. In addition to this, a deposit will be ricity. Both fees will be paid in advangations.  | ng incidental to the supplying a<br>equired to cover estimated con                               | and neuge                      | NO BEHNICE C        | KY                             |
|                   |  |  |                                | JUN 04              | 1997                           |
|                   |  |  | BY: _S                         | ACT BY THE VALUE OF | Buy                            |
| TE OF ISSU        | JE: June 11, 1997  | EFFECTIVE I  | SEC<br>DATE:                   |                     | <b>OMMIS</b> SION<br>≥ 4, 1997 |
| SUED BY:          | Dudle Botton . J.  | President & General Manager  |                                |                     | le, KY 4006                    |
|                   | Name of Officer  | Title  |                                | Address             | ;                              |

| Form for filing Rate Schedule   | FOR All Territory Served |    |
|---------------------------------|--------------------------|----|
|                                 | Community, Town or Cit   | У  |
|                                 | P.S.C. NO.               | 5  |
|                                 | 6th Revised Sheet No.    | 29 |
| Shelby Energy Cooperative, Inc. | Cancelling P.S.C. No.    | 5  |
| Shelbyville, Kentucky           | 5th Revised Sheet No.    | 29 |
| Name of Issuing Corporation     |                          |    |

|   | CLASSI   | FICATION OF SE  | ERVICE   |                   |                  |
|---|--|---|--|-------------------|------------------|
|   | LARGE INDU   | STRIAL RATE - SC  | HEDULE C2  |                   | Rate<br>Per Unit |
| usage equal to or gre<br>two "two-party" contra | e to contracts with demai<br>ater than 400 hours per<br>acts with the first one bei  | KW of contract billing de<br>ing between the Seller a   | emand. These contracted and the Cooperative                                | gy<br>cts will be |                  |
| MONTHLY RATE: Consume                           | econd one being betwee<br>r Charge<br>Charge per KW of Billing                       |   | nate consumer.<br>\$<br>\$   | 1,179.75<br>5.94  |                  |
| BILLING DEMAND:                                 | harge per kWh<br>hly billing demand shall  | he the greater of (a) or (  | \$   | 0.05119           | (1)              |
| (a)<br>(b)                                      | The contract demand The ultimate consumer eleven months. The p energy is used during | r's peak demand during<br>eak demand shall be the<br>any fifteen-minute interv<br>ted for power factor as p | the current month or p<br>highest average rate<br>al in the below listed l | at which          |                  |
| <u>Months</u>                                   | ;  |   | oplicable for<br>Billing - EST   |                   |                  |
| October through Apr                             | 11   |   | 12:00 Noon<br>10:00 P. M.  |                   |                  |
| May through Septem                              | ber  | 10;00 A.M.  | to 10:00 P.M.  |                   |                  |

|                      | -  | 5:00 P.M. to     | 10:00 P. M.  |   |         |   |
|----------------------|--|------------------|--------------|---|---------|---|
| Aay through Septembe | <b>ः</b>                                     | 10:00 A.M. to    | o 10:00 P.M. |   |         |   |
| DATE OF ISSUE        | July 21, 2009                                | DATE EFFE        | CTIVE:       | August 1, 2                             | 009     |   |
| SSUED BY             | Name of Officer                              | Min Samileo Come | "            | BERUNCECEON<br>OF KENTUCK<br>EFFECTIVE  |         | N |
| Case No.             | uthority of an Order of the Pu<br>2008-00536 | LIC Service Comi |              | UANT TO 807 KA<br>SE <b>YUMAFI 8099</b> | R 5:011 |   |
|                      |  |                  | ву 🌡 🕽       | Dew Executive Director                  | or.     |   |

| Form for filing Rate Schedules                                     |  | FOR                            | All Territory Served      |                     |
|--|--|--------------------------------|---------------------------|---------------------|
|  |  | P.S.C. No.                     | Community                 | , Town or City<br>5 |
|  |  |                                | CUEET NO                  | 30                  |
| elby Energy Cooperative, Inc.                                      |  | Original                       | SHEET NO.                 | 30                  |
| Shelbyville, Kentucky  |  | CANCELLI                       | NG P.S.C. NO.             |                     |
| Name of Issuing Corporation  |  |                                | SHEET NO.                 |                     |
|  | CLASSIFICATION OF SERVICE  | PUBL                           | IC SERVICE C<br>OF KENTU  | CKY                 |
| LARGE IN   | IDUSTRIAL RATE SCHEDULE C2   |                                | JUN 04                    | RATE<br>1997ER UNIT |
| MINIMUM MONTHLY CHARC  | E:   |                                | SUANT TO 807<br>SECTION S |                     |
| The minimum monthly charge sha                                     | all not be less than the sum of (a) and (b)  | below: SEC                     | RETARY OF THE             | ~~~                 |
|  | nand multiplied by the demand charge, p<br>nand multiplied by 400 hours and the en   |                                | e per kWh.                |                     |
| POWER FACTOR ADJUSTMEN   | NT:  |                                |                           |                     |
| may be measured at any time. She time of his maximum demand        | unity power factor as nearly as practical ould such measurements indicate that the is less than 0.90 (90%), the demand for or recorded, multiplied by 0.90 (90%) and the succession of the succe | e power fac<br>billing pur     | etor at<br>poses          |                     |
| FUEL ADJUSTMENT CLAUSE   | i  |                                |                           |                     |
| amount per kWh as billed by the The allowance for line losses will | reased by an amount per kWh equal to the wholesaler power supplier plus an allowed not exceed 10% and is based on a twely Clause is subject to all other applicable process.   | ance for linger-<br>re-month m | e losses.<br>oving        |                     |
| SPECIAL PROVISIONS:  |  |                                |                           |                     |
|  | is furnished at secondary voltage, the dess otherwise specified in the contract for  |                                | t shall                   |                     |
| OATE OF ISSUE: June 11, 199  | 7 EFFECTIV   | E DATE:                        | June                      | e 4, 1997           |
| SUED BY: Dudle Botts   | President & General Manag  | er                             | Shelbyvil                 | le, KY 40065        |
| Name of Officer  | Title  | <del></del>                    | Address                   |                     |

Case No.

Dated \_\_\_\_\_

| Form for filing Rat          | e Schedules  |   | FOR                             | All Territor            |  |
|------------------------------|--|---|---------------------------------|-------------------------|--|
|                              |  |   | P.S.C. No.                      | Community               | , Town or City<br>5                    |
|                              |  |   |                                 | QUEET NO                |  |
| nelby Energy Co              | operative, Inc.  |   | Original                        | SHEET NO.               | <u> </u>                               |
| Shelbyville, Kentu           | cky  |   | CANCELLI                        | NG P.S.C. NO.           |  |
| Nan                          | ne of Issuing Corporation  |   |                                 | SHEET NO.               |  |
|                              | CLASSII  | FICATION OF SERVICE   |                                 |                         |  |
|                              | LARGE INI  | DUSTRIAL RATE - SCHEDUI   | E C2                            |                         | RATE<br>PER UNIT                       |
| SPECIAL F                    | ROVISIONS (continued):   |   |                                 |                         |  |
|                              | wiring, pole lines, and other elect<br>t shall be owned and maintained   |   | of the del                      | livery                  |  |
| the p<br>struc<br>lines      | rvice is furnished at Seller's print<br>point of attachment of Seller's proture unless otherwise specified<br>s, and other electric equipment (or<br>of the delivery point shall be over | rimary line to consumer's transf<br>in the contract for service. All v<br>except metering equipment) on | ormer<br>wiring, po<br>the load | JBLIC SE<br>ole OF<br>E | RVICE COMMISSI<br>KENTUCKY<br>FFECTIVE |
|                              | PAYMENT:   |   | i                               | pv. Shaha               | O 807 KAR 5:011<br>FION 9 (1)          |
| The<br>monthly bil           | above rates are net; the gross rail is not paid by the due date as s   | tes are 5% higher. In the event hown on the bill, the gross rate  | the currer                      | it SECRETARY C          | THE COMMISSION                         |
| TEMPORA                      | RY SERVICE:  |   |                                 |                         |  |
| to pay all co<br>service. In | sumers requiring temporary servosts of connecting and disconnecting and disconnecting and disconnection to this, a deposit will be paid in adverse.                                      | ting incidental to the supplying<br>e required to cover estimated co                                    | and remo                        | oving of                |  |
|                              |  |   |                                 |                         |  |
| DATE OF ISSUE:               | June 11, 1997  | EFFECTIVE   | DATE:                           | Jun                     | e 4, 1997                              |
| ~                            | Duth Batton  | President & General Manage  | r                               | Shelbyv                 | ille, KY 40065                         |
| SUED BY:                     | Name of Officer  | Title   | •                               | Addres                  |  |

| Form for filing Rate Schedule   | FOR All Territory Served |    |
|---------------------------------|--------------------------|----|
| •                               | Community, Town or City  |    |
|                                 | P.S.C. NO.               | 5  |
|                                 | 6th Revised Sheet No.    | 32 |
| Shelby Energy Cooperative, Inc. | Cancelling P.S.C. No.    | 5  |
| Shelbyville, Kentucky           | 5th Revised Sheet No.    | 32 |
| Name of Issuing Corporation     |                          |    |

|   | CLASSIFICATION OF SERVICE  |                 |
|---|--|-----------------|
| L <i>F</i>  | RGE INDUSTRIAL RATE - SCHEDULE C3  | Rate<br>Per Uni |
| AVAILABILITY:  Applicable usage equal to or great MONTHLY RATE:  Consumer  Demand Consumer  Energy Cherry Cherry Cherry DEMAND: | to contracts with demands of 10,000 kW and over with a monthly energy<br>ter than 400 hours per kW of contract demand. | Per Unit        |
| May through Septemb   | per 10:00 A.M. to 10:00 P.M.   |                 |

| DATE OF ISSUE July 21, 2009              | DATE EFFECTIVE:            | August 1, 2009                                      |
|--|----------------------------|---|
| Name of Officer                          | TIPLE                      | BLIC SERVICE COMMISSION<br>OF KENTUCKY<br>EFFECTIVE |
| Issued by authority of an Order of the P | ublic Service Commission o | of Kentucky i8/1/2009<br>PURSUANT TO 807 KAR 5:011  |
| Case No. 2008-00536                      | Dated                      | SEATION DOWN  |
|  | Ву                         | Dew   Executive Director                            |

| Form for filing Rate Schedule   | FOR          | All Territory Served    |    |
|---------------------------------|--------------|-------------------------|----|
|                                 |              | Community, Town or City |    |
|                                 | P.S.C. No.   |                         | 5  |
|                                 | 3rd Revised  | Sheet No.               | 33 |
| Shelby Energy Cooperative, Inc. | Canceling P. | S.C. No.                | 5  |
| Shelbyville, Kentucky           | 2nd Revised  | Sheet No.               | 33 |
| Name of Issuing Corporation     |              |                         |    |

|   | CLASSIFICATION OF SERVICE  |                  |  |  |
|---|--|------------------|--|--|
|   | LARGE INDUSTRIAL RATE SCHEDULE C3  | Rate<br>Per Unit |  |  |
| MINIMUN   | 1 MONTHLY CHARGE:  |                  |  |  |
| The minir   | num monthly charge shall not be less than the sum of (a) through (d) below:  | Т                |  |  |
| (a)   | Consumer Charge  | Т                |  |  |
| (b)   | The product of the contract demand multiplied by the contract demand charge.   | Т                |  |  |
| (c)   | The product of the contract demand multiplied by 400 hours and the energy charge per kWh minus the fuel base per kWh.  | т                |  |  |
| (d)   | Contract provisions that reflect special facilities requirements   | Т                |  |  |
| The cons be measured for this bill demand a second for the second | umer agrees to maintain unity power factor as nearly as practicable. Power factor may used at any time. Should such measurements indicate that the power factor at the time ing demand is less than 0.90 (90%), the demand for the billing purposes shall be the as indicated or recorded, multiplied by 0.90 (90%) and divided by the power factor.  **JUSTMENT CLAUSE:**  may be increased or decreased by an amount per kWh equal to the fuel adjustment er kWh as billed by the wholesale power supplier plus an allowance for line losses. Pance for line losses will not exceed 10% and is based on a twelve-month moving of such losses. The Fuel Clause is subject to all other applicable provisions as set |                  |  |  |
| out in 807  | 7 KAR 5:056  |                  |  |  |
|   |  |                  |  |  |

| DATE OF ISSUE | July 20, 2004                                    | DATE EF                                 | ECPINBLIC    | SERVICEUÇON                            | MOISSION |
|---------------|--|---|--------------|--|----------|
| ISSUED BY     | Davider Britan. Name of Officer                  | <del>antiner pasa</del>                 | TITLE        | OF KENTUCKO                            | <b>Y</b> |
| Issued by     | authority of an Order of the Publi<br>2004-00195 | ic Service Cor                          | mission of K | entucky (g/2004<br>SI I ANT TO 807 KAI | R 5:011  |
| Case No.      | 2004-00195                                       | *************************************** | Dated        | SECTION 9 (1)                          | 10.011   |
|               |  |   |              |  |          |
|               |  |   | By 5         |  |          |
|               |  |   | l            | Executive Directo                      | r        |

| Form for filing Rate Sche   | edules  |   |   |   | FOR                              | All Territor   | y Served         |
|---|---|---|---|---|----------------------------------|--|------------------|
|   |   | PUBLIC                                    | SERVICE COMMISS   | ION   |                                  | Community  | , Town or City   |
|   |   | , 024                                     | OF KENTUCKY<br>EFFECTIVE                                |   | P.S.C. No.                       |  | 5                |
| elby Energy Cooperat  | ivo Ino   |   | Littome   |   | Original                         | _SHEET NO.   | 34               |
| Shelbyville, Kentucky   | ive, inc.   | J   | IUN 04 1997   |   | CANCELLI                         | NG P.S.C. NO.  |                  |
| Name of Iss   | uing Corporation  | PURSU/                                    |   | 11,   | Principles of the second         | SHEET NO.  |                  |
| ı   | O   |   | edan) Bu<br>MATHOREGORS                                 | <b>ERVICE</b>                                 |                                  |  |                  |
|   | LAI   | RGE INDI                                  | USTRIAL RATI  | E - SCHEDU                                    | LE C3                            |  | RATE<br>PER UNIT |
| SPECIAL PROVI   | SIONS (continue   | ed):                                      |   |   |                                  |  |                  |
|   | pole lines, and o   |   |   |   | of the del                       | ivery  |                  |
| the point of<br>structure us<br>lines, and o                            | s furnished at Sel<br>f attachment of S<br>nless otherwise spother electric equi<br>delivery point sh | eller's prin<br>pecified in<br>ipment (ex | mary line to con<br>the contract for<br>cept metering e | sumer's trans<br>service. All<br>quipment) on | former<br>wiring, po<br>the load |  |                  |
| TERMS OF PAY  | MENT:   |   |   |   |                                  |  |                  |
| The above monthly bill is not   | rates are net; the paid by the due  | _   | _   |   |                                  |  |                  |
| TEMPORARY SE  | ERVICE:   |   |   |   |                                  |  |                  |
| Consumers to pay all costs of service. In addition of electricity. Both | n to this, a depos  | isconnecti<br>it will be                  | ing incidental to required to cover                     | the supplying                                 | and remo                         | vipg of co   | MMISSION<br>Y    |
|   |   |   |   |   |                                  | JUN 04 1   | 197              |
|   |   |   |   |   | PURSL<br>RY: S                   | JANT TO 807 K<br>SECTION 9<br>Yedhand  |                  |
| DATE OF ISSUE:  | June 11, 1997   |   |   | EFFECTIVE                                     | SECR                             | the latest spiritual states of the latest states and the latest spiritual states and the latest states and the | MMISSION 4. 1997 |
| SUED BY:  | Tell BI   | 2   | President & Ge  |   |                                  |  | le, KY 40065     |
|   | ame of Officer  |   | Title   |   | <b></b>                          | Address  |                  |
| Issued<br>Case N  | by authority of a   | n Order of                                | the Public Servi  | ce Commissio                                  |                                  | ucky in  | <i>:</i>         |
| Case  | 10.   |   |   | Dated   |                                  |  | general second   |

| Form for filing Rate Schedule   | FOR         | All Territory Served Community, Town or City |    |
|---------------------------------|-------------|--|----|
|                                 | P.S.C. NO.  |  | 5  |
|                                 | 2nd Revised | I Sheet No.                                  | 35 |
| Shelby Energy Cooperative, Inc. | Canceling P | .s.c. NO.                                    | 5  |
| Shelbyville, Kentucky           | 1st Revised | Sheet No.                                    | 35 |
| Name of Issuing Corporation     |             |  |    |

| CLASSIFICATION OF SERVICE  |                  |                  |                               |                  |
|--|------------------|------------------|-------------------------------|------------------|
|  | INTERRUP         | TIBLE SE         | RVICE                         | Rate<br>Per Unit |
| Standard Rider   |                  |                  |                               |                  |
| This Interruptible Rate is a ride  | er to Rate Sche  | edule(s) 2, 4    | , 22, B1, B2, B3, C1, C2, and | i C3.            |
| Applicable   |                  |                  |                               |                  |
| In all territory served by the Co  | ooperative.      |                  |                               |                  |
| Availability of Service  |                  |                  |                               |                  |
| This schedule shall be made a an interruptible demand of no to a maximum number of hou | l less than 250  | kW and not       | more than 20,000 kW, subje    | ect              |
| Monthly Rate   |                  |                  |                               |                  |
| A monthly demand credit per  | kW is to be ba   | sed on the f     | ollowing matrix:              |                  |
|  | ANNUA            | I<br>L HOURS     | OF INTERRUPTION               |                  |
| NOTICE   | 200              | <u>300</u>       | <u>400</u>                    |                  |
| <u>MINUTES</u><br>10<br>60   | \$4.20<br>\$3.50 | \$4.90<br>\$4.20 | \$5.60<br>\$4.90              | (1)              |
|  |                  |                  |                               |                  |
|  |                  |                  |                               |                  |
| DATE OF ISSUE Mare   | sh 26, 2009      |                  | DATE EFFECTIVE SERV           | ICE COMMESSIO    |

ISSUED BY

Name of Officer Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentheky 1807 KAR 5:011

Case No. 2008-00423

Dated SEMARTHN 19 2009

| rm for fil  | ing Rate Schedules  |   | FOR                          | All Territory Served  |
|-------------|---|---|------------------------------|---|
|             |   |   |                              | Community, Town or Cit  |
|             |   |   | P.S.C. No.                   | 5   |
|             |   |   | Original                     | SHEET NO. 36  |
| •           | ergy Cooperative, Inc.  |   | OANGELL                      | NO 7 C C NO   |
| ielbyville, | , Kentucky  |   | CANCELLI                     | NG P.S.C. NO.   |
|             | Name of Issuing Corporation   |   |                              | SHEET NO.   |
|             | CL  | ASSIFICATION OF SERVICE   |                              |   |
|             |   | INTERRUPTIBLE SERVICE   | 3                            | RATE<br>PER UNIT  |
| Deter       | rmination of Measured Load - B  | illing Demand   |                              |   |
|             | monthly billing demand shall be ifteen consecutive minute period                                    | the highest average rate at which during the below listed hours:                              | energy is used               | during  |
|             | MONTHS  | HOURS APPLICABLE FOR DE<br>BILLING - E. S. T.   | EMAND                        |   |
|             | 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   |                              |   |
| The i       | interruptible billing demand shal<br>and exceeds the minimum billing                                | I be equal to the amount by which demand as specified in the contr                            | n the monthly act.           | billing   |
| Conc        | litions of Service for Member Co  | ontract   |                              |   |
| 1.          | The member will, upon notifi supplied by the Cooperative to contract.                               | cation by the Cooperative, reduce o the minimum billing demand sp                             | his/her load becified by the | UBLIC SERVICE COMMISSION OF KENTUCKY  |
| 2.          | The Cooperative will endeave<br>notice as possible of the inter-<br>interrupt service within the no | or to provide the member with as ruption of service. However, the otice period as contracted. | member shall                 | JUN 04 1997   |
| 3.          | Service will be furnished und except as set out herein and/o  | er the Cooperative's "Rules and R<br>r provisions agreed to by written                        | contract 🗗 🗅                 | SUANT TO 807 KAR 5:011.<br>SECTION 9(1)<br>Dephan Bur<br>SETARY OF THE COMMISSION |
| ATE OF IS   | SSUE: June 11, 1997   | EFFEC   | TIVE DATE:                   | June 4, 1997  |
| SUED BY     | Duth Betton.  | President & General Ma  | nager                        | Shelbyville, KY 4006  |
|             | Name of Officer   | Title   |                              | Address   |

Case No.

| Form for fil   | ing Rate Schedules  | FOR           | All Territor                        | y Served<br>, Town or City |
|--|---|---------------|-------------------------------------|----------------------------|
|  |   | P.S.C. No.    | Community                           | , Town or City 5           |
| <b>-</b>   |   | Original      | SHEET NO.                           | 37                         |
| elby Ene<br>Shelbyville,   | rgy Cooperative, Inc.<br>Kentucky   | CANCELLI      | NG P.S.C. NO.                       |                            |
|  | Name of issuing Corporation   |               | SHEET NO.                           |                            |
|  | CLASSIFICATION OF SERVICE   |               |                                     |                            |
|  | INTERRUPTIBLE SERVICE   |               |                                     | RATE<br>PER UNIT           |
| Cond   | itions of Service for Member Contract (con't)   |               |                                     |                            |
| 4.   | No responsibility of any kind shall attach the Cooperative for, or of, any loss or damage caused by, or resulting from, any interruptic curtailment of this service.  |               |                                     |                            |
| 5.   | The Member shall own, operate, and maintain all necessary equipments receiving electric energy and all telemetering and communications within the Member's premises, required for interruptible service.  |               | t,                                  |                            |
| 6.   | The minimum original contract period shall be one year and thereaterminated by giving at least six months previous written notice. Cooperative may require a contract be executed for a longer initial deemed necessary by the size of the load and other conditions. | Γhe           | 1                                   |                            |
| 7.   | The Fuel Adjustment Clause, as specified in the prevailing rate sclapplicable.  |               | Dia a                               |                            |
| 8.   | Any transformers required in excess of those used for regular firm be owned and maintained by the member.   |               | BLIC SERVICE<br>OF KENT<br>[] EFFEC | COMMISSION<br>ICKY<br>IVE  |
| Calcu  | ulation of Monthly Bill   | <b>PUR</b> :  | JUN 04                              |                            |
| The r  | nonthly bill is calculated on the following basis:  | By S          | SUANT TO 807<br>SECTION E           | (י)                        |
|  | A. Sum of customer charge, plus   | SEC           | EIARY OF THE C                      | MANSSON                    |
|  | B. Minimum billing demand in kW multiplied by the firm cap  | pacity rate,  | plus                                |                            |
| and the same of th | C. Interruptible billing demand in kW multiplied by interruption  | ible rate, pl | us                                  |                            |
| DATE OF IS   | SUE: June 11, 1997 EFFECTIV   | E DATE:       | June                                | 4, 1997                    |
| SUED BY  | Name of Officer  President & General Manag  | er            | Shelbyvill<br>Address               | e, KY 40065                |

Dated

Case No.

| Form for filing Rate Schedules | FOR         | All Territor | y Served       |   |
|--------------------------------|-------------|--------------|----------------|---|
|                                |             | Community    | , Town or City |   |
|                                | P.S.C. No.  |              | 5              |   |
| ~                              | 1st Revised | SHEET NO.    | 38             |   |
| helby Energy Cooperative, Inc. |             | •            |                |   |
| Shelbyville, Kentucky          | CANCELLIN   | G P.S.C. NO. | 5              | _ |
| Name of Issuing Corporation    | Original    | SHEET NO.    | 38             |   |
|                                |             |              |                |   |

|                              | CLASSIFICATION OF SERVICE  |                |
|------------------------------|--|----------------|
|                              | INTERRUPTIBLE SERVICE  | RATE<br>PER UN |
| Calculation                  | of Monthly Bill (con't)  |                |
| D.                           | Energy in kWh multiplied by the energy rate.   |                |
| Number and                   | Duration of Interruptions  |                |
| A.                           | Winter Season: There shall be no more than two (2) interruptions during any 24 hour calendar day. No interruption shall last more than six hours.  | (T)            |
| В.                           | Summer Season: There shall be no more than one (1) interruption during any 24 hour calendar day. No interruption shall last more than twelve hours.  | (T)            |
| C.                           | The maximum number of annual hours of interruption shall be in accordance with the member contracted level of interruptible service.   |                |
| Charge for I                 | Failure to Interrupt   |                |
| shall bill the<br>power dema | ails to interrupt load as requested by the Cooperative, the Cooperative uninterrupted load at a rate equal to five (5) times the applicable firm and charge for that billing month. Uninterrupted load is equal to actual requested interruption minus minimum billing demand. |                |
|                              | PUBLIC CIRVICTION MESIC<br>OF GETTLORG<br>EFFECTIVE  |                |
|                              | NOV 13 2000  |                |
|                              | PURSUANT TO PROCEASE 5011,   |                |

| DATE OF ISSUE: | October 13, 2000                   | EFFECTIVE DATE:                        | November 13, 2000     |
|----------------|------------------------------------|--|-----------------------|
| SSUED BY:      | Dudle Botton J.                    | President & CEO                        | Shelbyville, KY 40065 |
|                | Name of Officer                    | Title                                  | Address               |
|                | Issued by authority of an Order of | the Public Service Commission of Kenti | ucky in               |
|                | Casa No                            | Dated                                  |                       |

| Form for filing Rate Schedule          | FOR          | All Territory Served    |           |
|--|--------------|-------------------------|-----------|
|  |              | Community, Town or City |           |
|  | P.S.C. NO.   |                         | 5         |
|  | 9th Revised  | Sheet No.               | 39        |
| _, , , _ , , , , , , , , , , , , , , , | o 111 m      |                         | <b>r-</b> |
| Shelby Energy Cooperative, Inc.        | Cancelling F | '.S.C. NO.              | 5         |
| Shelbyville, Kentucky                  | 8th Revised  | Sheet No.               | 39        |
| Name of Issuing Corporation            |              |                         |           |

|         |                        | CLASSIFICATI  | ON OF SER            | VICE                   |                  |
|---------|------------------------|---|----------------------|------------------------|------------------|
|         |                        | OPTIONAL T-O-D DEM  | AND - RATE 2         | 22                     | Rate<br>Per Unit |
|         | Available<br>consumers | to all consumers whose KW dem<br>who do not qualify under availab<br>eller's line for all types of usage, s | ility of service und | der Rate 1 or Rate 10, |                  |
|         | ns of Seller           |   | •                    |                        |                  |
| TYPES O | F SERVICE              | <u>:</u>  |                      |                        |                  |
|         | Three -ph              | ase, 60 Hertz, available at Seller  | s's standard volta   | ge                     |                  |
| RATE:   | Consume                | r Charge  |                      |                        |                  |
|         | \$44.14                | ł   |                      | :                      |                  |
|         | <u>Demand</u>          | Charge  |                      |                        |                  |
|         | \$4.97 per             | month per KW of billing demand  | i                    |                        |                  |
|         | Energy C               | <u>harge</u>  |                      |                        |                  |
|         | First                  | 100 kWh per KW demand   | \$ 0.07676           | per kWh                | (1)              |
|         | Next                   | 100 kWh per KW demand   | \$ 0.07061           | per kWh                | (1)              |
|         | All Over               | 200 kWh per KW demand   | \$ 0.06448           | per kWh                | (1)              |
|         |                        |   |                      |                        |                  |
|         | IDOUE                  | tuly 24, 2000   | DATE EEEEC           | TN/E: August 6         |                  |

| Next                         | 100 kWh per KW demand   | \$ 0.07061 per kWh   | (1)  |
|------------------------------|---|--|--|
| All Over                     | 200 kWh per KW demand   | \$ 0.06448 per kWh   | (1)  |
|                              |   |  |  |
| DATE OF ISSUE                | July 21, 2009   | DATE EFFECTIVE: Augus  | t 1, 2009  |
| ISSUED BY Issued by Case No. | Name of Officer  y authority of an Order of the Pub  2008-00536 | PUBLIC SERVICE Commission of Rentie NTU SERVICE COmmission of Rentie NTU SERVICE TIVE PURSUANT TO 807 SECTION 9  By By Executive Directors and the secutive Directors and the security and the secutive Directors and the secutive Directors and the security and the secutive Directors and the security and the securi | COMMISSION<br>CKY<br>/E<br>009<br>KAR 5:011<br>(1) |

| Form for filing Rate Schedules  | FOR  | All Territory Served                                  |
|---|--|---|
|   |  | Community, Town or City                               |
|   |  | C. No. 5  |
| elby Energy Cooperative, Inc.   | Orig   | ginal SHEET NO. 40                                    |
| Shelbyville, Kentucky   | CAN  | CELLING P.S.C. NO.                                    |
| Name of Issuing Corporation   | al Militer Product   | SHEET NO.   |
| Name of Issuing Corporation   |  |   |
| CLASS   | IFICATION OF SERVICE   |   |
| OPTIONAL T-O-D  | DEMAND - RATE 22   | RATE<br>PER UNIT                                      |
| DETERMINATION OF BILLING DEMA   | AND:   |   |
| The billing demand shall be the ma<br>consumer during any fifteen-minute interv<br>and adjusted for power factor as provided l  |  |   |
| Months  | Hours Applicable for Demand Billing - EST  | PUBLIC SERVICE COMMISSION<br>OF KENTUCKY<br>EFFECTIVE |
| 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.   | PURSUANT TO 807 KAR 5:011,<br>SECTION 9 (1)           |
| POWER FACTOR ADJUSTMENT:  |  | BY: Stephano Bu SECRETARY OF THE COMMISSION           |
| The consumer agrees to maintain upon Power factor may be measured at any time the power factor at the time of maximum demand for billing purposes shall be the demand meter multiplied by 0.90 (90%) and divide | billing demand is less than 0.90 (90% emand as indicated or recorded by the      | able.<br>e that<br>), the                             |
| FUEL ADJUSTMENT CLAUSE:   |  |   |
| This rate may be increased or decreased fuel adjustment amount per kWh as billed allowance for line losses. The allowance for a twelve-month moving average of suclother applicable provisions as set out in 80 | for line losses will not exceed 10% an<br>h losses. The Fuel Clause is subject t | an<br>d is based                                      |
| DATE OF ISSUE: June 11, 1997  | EFFECTIVE DAT  | E: June 4, 1997                                       |
| SUED BY: Dudley Botton of Summer of Officer   | President & General Manager Title  | Shelbyville, KY 40065<br>Address                      |

Case No.

| orm for filing Rat  | e Schedules   | 1  | FOR                        | All Territory                                       | Served                                |
|---------------------|---|--|----------------------------|---|---------------------------------------|
|                     |   | ,  | P.S.C. No.                 | Community,  | Town or City<br>5                     |
|                     |   |  | Original                   | SHEET NO.   |                                       |
| elby Energy Co      |   | •  |                            |   | · · · · · · · · · · · · · · · · · · · |
| Shelbyville, Kentud | e of Issuing Corporation  |  | CANCELLI                   | NG P.S.C. NO<br>SHEET NO.                           |                                       |
| Nan                 | or issuing Corporation  |  |                            | SHEET NO.   |                                       |
|                     | CLASSIFI  | CATION OF SERVICE  |                            |   |                                       |
|                     | OPTIONAL T-O-D D  | EMAND - RATE 22  |                            |   | RATE<br>PER UNIT                      |
| MINIMUM             | MONTHLY CHARGE:   |  |                            |   |                                       |
|                     | minimum monthly charge shall be<br>d for the consumer in question:  | e the highest one of the following   | ng charg                   | es  |                                       |
| 1.                  | The minimum monthly charge  | specified in the contract for ser  | vices.                     |   |                                       |
| 2.                  | The charge of \$1.00 per KVA  | of installed transformer capacit   | y.                         |   |                                       |
| SPECIAL P           | ROVISIONS:  |  |                            |   |                                       |
| 1.                  | <u>Delivery Point</u> - If service is further delivery point shall be the meter specified in the contract for service.  | ering point unless otherwise   | he                         |   |                                       |
|                     | All wiring, pole lines, and othe side of the delivery point shall the consumer.   | 2 2  |                            |   |                                       |
| 2.                  | If service is furnished at Seller point shall be the point of attace consumer's transformer structure the contract for service. All with equipment (excepting metering delivery point shall be owned at | hment of Seller's primary line to<br>re unless otherwise specified in<br>ring, pole lines, and other elect<br>grequipment) on the load side of | very<br>.o<br>ric<br>f the | UBLIC SERVICE OF KENTI EFFECT JUN 0 4 RSUANT TO 807 | 1997                                  |
| 3.                  | Primary Service - If service is a voltage, a discount of five perodemand and energy charges. To finetering at secondary voltages.   | ent (5%) shall apply to the he Seller shall have the option  | n –                        | Stephan()   | BU                                    |
| ATE OF ISSUE:       | June 11, 1997   | EFFECTIVE D  | ATE:                       | June  | 4, 1997                               |
| SUED BY:            | Dudle Botton - Jr. Name of Officer  | President & General Manager  |                            | Shelbyville<br>Address                              | e, KY 40065                           |
|                     | ssued by authority of an Order of Case No.  | the Public Service Commission<br>Dated _   | of Kentu                   | ıcky in   | MAN ESTERNISHMENT MAN MAN             |

| Form for filing Rate | e Schedules   | F  | OR          | All Territory   | Served            |
|----------------------|---|--|-------------|---|-------------------|
|                      |   |  |             | Community,  | Town or City<br>5 |
|                      |   |  | .S.C. No.   |   |                   |
| elby Energy Cod      | onerative Inc   |  | Original    | SHEET NO.   | 42                |
| Shelbyville, Kentud  | •   | С  | ANCELLI     | NG P.S.C. NO.   |                   |
| Nam                  | e of Issuing Corporation  | <del>-</del><br>   |             | _SHEET NO   |                   |
|                      | CLASSIFI  | CATION OF SERVICE  |             |   |                   |
|                      | OPTIONAL T-O-D  | EMAND - RATE 22  |             |   | RATE<br>PER UNIT  |
| SPECIAL P            | ROVISIONS:  |  |             |   |                   |
| 4.                   | Contract - An "Agreement for executed by the consumer for s   | Purchase of Power" shall be service under this rate schedule.    |             |   |                   |
| TERMS OF             | PAYMENT:  |  |             |   |                   |
|                      | above rates are net; the gross rates thly bill is not paid by the due dat   |  |             |   |                   |
| SPECIAL R            | ULES:   |  |             |   |                   |
| be three-pha         | ors having a rated capacity in excesse. Motors in excess of five horsensating starting equipment accepta                                  | epower (5 HP) shall be provided                                  | nust<br>l   |   |                   |
| TEMPORA              | RY SERVICE:   |  |             |   |                   |
| required to p        | sumers requiring temporary services all costs of connecting and distinct removing of service. In additionated consumption of electricity. | sconnecting incidental to the on to this, a deposit will be requ | be<br>ired  | UBLIC SERVICE<br>OF KENTI<br>EFFECT<br>JUN 04             | ICKY<br>IVE       |
| 20 00 TOI 03H        |   |  | PUI<br>BY:_ | RSUANT TO 807<br>SECTION 9<br>STROMAN<br>CRETARY OF THE C | (1)<br>Beza       |
| DATE OF ISSUE:       | June 11, 1997   | EFFECTIVE D  | ATE:        | June  | 4, 1997           |
| SUED BY:             | Duelly Bellon   | President & General Manager Title                                |             | Shelbyville<br>Address                                    | e, KY 40065       |
|                      | Issued by authority of an Order of Case No.   | the Public Service Commission<br>Dated _                         | of Kent     | ucky in   |                   |

| Form for filing Rate Schedule   | FOR          | All Territory Served    |    |
|---------------------------------|--------------|-------------------------|----|
| -                               |              | Community, Town or City |    |
|                                 | P.S.C. NO.   |                         | 5  |
|                                 | 6th Revised  | Sheet No.               | 43 |
| Shelby Energy Cooperative, Inc. | Cancelling F | P.S.C. NO               | 5  |
| Shelbyville, Kentucky           | 5th Revised  | Sheet No.               | 43 |
| Name of Issuing Corporation     |              |                         |    |

| CLASSIFICATION OF SERVICE   |                              |
|---|------------------------------|
| OPTIONAL RESIDENTIAL, CHURCH & SCHOOL SERVICE - RATE 10   | Rate<br>Per Unit             |
| 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 \$ 12.52 2. Three Phase Service 32.56   |                              |
| Energy Charge per kWh \$ 0.07934  | (1)                          |
| MINIMUM MONTHLY CHARGE:   |                              |
| The minimum monthly charge for this rate schedule shall be \$12.52 for single phase service and \$32.56 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:   |                              |
| 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.          | A distribution of the second |

| DATE OF ISSUE | July 21, 2009                         | DATE EFFECTIVE:           | August 1, 2009                          |
|---------------|---------------------------------------|---------------------------|---|
| ISSUED BY     | Name of Officer                       | 0                         | ERVICE COMMISSION<br>F KENTUCKY         |
| Issued        | by authority of an Order of the Publi | c Service Commission of K | EFFECTIVE<br>entucky in<br>8/1/2009     |
| Case N        | 0. 2008-00536                         |                           | ANT TO \$47/6/25/59011<br>SECTION 9 (1) |
|               |                                       | ву                        | Secutive Director                       |

| SPECIAL PROVISIONS (continued):  2. Utility may connect to the non-tariff side of the telephone service, if available. Such connection will be used for automated meter reading, data acquisition and load control and would be based on industry standard practices to reduce consumer inconvenience.  3. Utility may audit consumer heating system and consumer must make provisions to limit the resistance heating capacity to an amount that will provide proper heating performance. Such limitation will be by sizing the capacity of individual heating units oxstaging multiple units.  TERMS OF PAYMENT:  The above rates are net; the gross rates are 10% higher. In event the current monthly bill is not paid by the due date as shown on the bill, the gross rates shall apply.  FUEL ADJUSTMENT CLAUSE:  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 Adjustment  Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.  PURSUANT TO BUT KAR 5:056.   | orm for filing Rat                          | e Schedules  |  | FOR                              | All Territor  | y Served         |
|--|---|--|--|----------------------------------|---------------|------------------|
| elby Energy Cooperative, Inc. helbyville, Kentucky  CANCELLING P.S.C. NO.  SHEET NO.  CLASSIFICATION OF SERVICE  OPTIONAL RESIDENTIAL, CHURCH & SCHOOL SERVICE - RATE 10  SPECIAL PROVISIONS (continued):  2. Utility may connect to the non-tariff side of the telephone service, if available. Such connection will be used for automated meter reading, data acquisition and load control and would be based on industry standard practices to reduce consumer inconvenience.  3. Utility may audit consumer leating system and consumer must make provisions to limit the resistance heating capacity to an amount that will provide proper heating performance. Such limitation will be by sizing the capacity of individual heating units ox, staging multiple units.  TERMS OF PAYMENT:  The above rates are net; the gross rates are 10% higher. In event the current monthly bill is not paid by the due date as shown on the bill, the gross rates shall apply.  FUEL ADJUSTMENT CLAUSE:  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 Adjustment Clause is subject to all other applicable provisions as set out in 807 KAR 5.056.  PURSUANT TO RECOMMISSION  ATE OF ISSUE:  June 11, 1997  EFFECTIVE DATE:  June 4, 1997  June 4, 1997   |   |  |  |                                  | Community     | •                |
| elby Energy Cooperative, Inc.  Relbyville, Kentucky  Name of Issuing Corporation  CLASSIFICATION OF SERVICE  OPTIONAL RESIDENTIAL, CHURCH & SCHOOL SERVICE - RATE 10  PER UN  SPECIAL PROVISIONS (continued):  2. Utility may connect to the non-tariff side of the telephone service, if available. Such connection will be used for automated meter reading, data acquisition and load control and would be based on industry standard practices to reduce consumer inconvenience.  3. Utility may audit consumer leating system and consumer must make provisions to limit the resistance heating capacity to an amount that will provide proper heating performance. Such limitation will be by sizing the capacity of individual heating units ox staging multiple units.  TERMS OF PAYMENT:  The above rates are net; the gross rates are 10% higher. In event the current monthly bill is not paid by the due date as shown on the bill, the gross rates shall apply.  FUEL ADJUSTMENT CLAUSE:  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. The Fuel Adjustment Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.  PURSUANT TO ROF KAR 5:056.  |   |  |  | P.S.C. No.                       |               | 5                |
| CLASSIFICATION OF SERVICE  CLASSIFICATION OF SERVICE  OPTIONAL RESIDENTIAL, CHURCH & SCHOOL SERVICE - RATE 10  SPECIAL PROVISIONS (continued):  2. Utility may connect to the non-tariff side of the telephone service, if available. Such connection will be used for automated meter reading, data acquisition and load control and would be based on industry standard practices to reduce consumer inconvenience.  3. Utility may audit consumer heating system and consumer must make provisions to limit the resistance heating capacity to an amount that will provide proper heating performance, Such limitation will be by sizing the capacity of individual heating units okstaging multiple units.  TERMS OF PAYMENT:  The above rates are net; the gross rates are 10% higher. In event the current monthly bill is not paid by the due date as shown on the bill, the gross rates shall apply.  FUEL ADJUSTMENT CLAUSE:  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. The allowance for line losses. The fuel Adjustment clause is subject to all other applicable provisions as set out in 807 KAR 5.056.  PURSUANT TO REVENUELY SERVICE OF TRANSITION OF 1997  Clause is subject to all other applicable provisions as set out in 807 KAR 5.056.  PURSUANT TO REVENUELY SERVICE OF THE COMMESSION AND SECRETARY OF THE COMMESSION AND  |   |  |  | Original                         | _SHEET NO.    | 44               |
| CLASSIFICATION OF SERVICE  OPTIONAL RESIDENTIAL, CHURCH & SCHOOL SERVICE - RATE 10  PER UN  SPECIAL PROVISIONS (continued):  2. Utility may connect to the non-tariff side of the telephone service, if available. Such connection will be used for automated meter reading, data acquisition and load control and would be based on industry standard practices to reduce consumer inconvenience.  3. Utility may audit consumer heating system and consumer must make provisions to limit the resistance heating capacity to an amount that will provide proper heating performance. Such limitation will be by sizing the capacity of individual heating units ox staging multiple units.  TERMS OF PAYMENT:  The above rates are net; the gross rates are 10% higher. In event the current monthly bill is not paid by the due date as shown on the bill, the gross rates shall apply.  FUEL ADJUSTMENT CLAUSE:  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 Adjustment Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.  PURSUANT OF THE COMMISSION SECTIONS (1), BY. |   | -  |  | CANCELLI                         | NG P.S.C. NO. |                  |
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| provisions to limit the resistance heating capacity to an amount that will provide proper heating performance. Such limitation will be by sizing the capacity of individual heating units or staging multiple units.  TERMS OF PAYMENT:  The above rates are net; the gross rates are 10% higher. In event the current monthly bill is not paid by the due date as shown on the bill, the gross rates shall apply.  FUEL ADJUSTMENT CLAUSE:  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 Adjustment Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.  PURSUANT TO BOT KAR 5:01 SECTION 9 (1)  BY: Stephand But SECRETARY OF THE COMMISSION SECTION 9 (1)  BY: Stephand But SECRETARY OF THE COMMISSION SECTION 9 (1)  BY: Stephand But SECRETARY OF THE COMMISSION SECTION 9 (1)  BY: Stephand But SECRETARY OF THE COMMISSION SECTION 9 (1)  BY: Stephand But SECRETARY OF THE COMMISSION SECTION 9 (1)  BY: Stephand But SECRETARY OF THE COMMISSION SECTION 9 (1)  BY: Stephand But SECRETARY OF THE COMMISSION SECTION 9 (1)  BY: Stephand But SECRETARY OF THE COMMISSION SECTION 9 (1)  BY: Stephand But Secretary OF THE COMMISSION SECTION 9 (1)  BY: Stephand But Secretary OF THE COMMISSION SECTION 9 (1)  BY: Stephand But Secretary OF THE COMMISSION SECTION 9 (1)  BY: Stephand But Secretary OF THE COMMISSION SECTION 9 (1)  BY: Stephand But Secretary OF THE COMMISSION SECTION 9 (1)  BY: Stephand But Secretary OF THE COMMISSION SECTION 9 (1)  BY: Stephand But Secretary OF THE COMMISSION SECTION 9 (1)  BY: Stephand But Secretary OF THE COMMISSION SECTION 9 (1)  BY: Stephand But Secretary OF THE COMMISSION SECTION 9 (1)  BY: Stephand But Secretary Secretary OF THE COMMISSION SECTION SECTION 9 (1)  BY: Stephand But Secretary Secretary Secretary Secretary Secretary Secretary Secre | 2.  | available. Such connection w data acquisition and load cont  | rill be used for automated meter<br>or and would be based on inc                               | er reading,                      | •             |                  |
| The above rates are net; the gross rates are 10% higher. In event the current monthly bill is not paid by the due date as shown on the bill, the gross rates shall apply.  FUEL ADJUSTMENT CLAUSE:  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 Adjustment Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.  PURSUANT TO BOY KAR 5:01  SECTION 9 11  BY: Stephand Buy SECRETARY OF THE COMMISSION  | 3.  | provisions to limit the resistar<br>provide proper heating perform                                       | nce heating capacity to an amormance. Such limitation will b                                   | ount that we by sizing           |               |                  |
| monthly bill is not paid by the due date as shown on the bill, the gross rates shall apply.  FUEL ADJUSTMENT CLAUSE:  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 Adjustment Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.  PURSUANT TO BOT KAR 5:01 SECTION 9 (1)  BY: SECRETARY OF THE COMMISSION  THE OF ISSUE:  June 4, 1997  | TERMS OF                                    | PAYMENT:   |  |                                  |               |                  |
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| BY: Stephan Buy SECRETARY OF THE COMMISSION  ATE OF ISSUE:  June 11, 1997  EFFECTIVE DATE:  June 4, 1997   | fuel adjustn<br>allowance f<br>based on a t | nent amount per kWh as billed by<br>for line losses. The allowance for<br>twelve-month moving average of | the wholesale power supplied<br>line losses will not exceed 10<br>such losses. The Fuel Adjust | r plus an 10% and is ment 5:056. | JUN 0         | TUCKY<br>TIVE    |
| Q 10 24 1 2 10 100 100 100 100 100 100 100 100   |   |  |  | BY:                              | Sketan()      | Bur              |
| NED BY: President & General Manager Shelbyville, KY 400  | ATE OF ISSUE:                               | June 11, 1997  | EFFECTIVI  | E DATE:                          | Jun           | e 4, 1997        |
| Name of Officer Title Address  | UED BY:                                     | Dudley Botton In   | President & General Manage   | 9F                               |               |                  |

Case No.

Dated \_\_\_

| orm for filing Rate Schedules  | FOR   | All Territory |                  |
|--|---|---------------|------------------|
|  |   | Community,    |                  |
|  | P.S.C. No.                                    |               | 5                |
|  | Original                                      | SHEET NO.     | 45               |
| elby Energy Cooperative, Inc.<br>nelbyville, Kentucky  | CANCELLU                                      | IG P.S.C. NO. |                  |
|  | OANOLLIN                                      | •             |                  |
| Name of Issuing Corporation  |   | SHEET NO.     |                  |
| CLASSIFICATION OF SE   | RVICE   |               |                  |
| OPTIONAL RESIDENTIAL, CHURCH & SCHOOL S  | SERVICE - RATE 10                             |               | RATE<br>PER UNIT |
|  |   |               |                  |
| SPECIAL RULES:   |   | ĺ             |                  |
| The state of the s |   |               |                  |
| Motors having a rated capacity in excess of ten horse po   |   |               |                  |
| three-phase. Motors in excess of five horsepower (5 HP) shall  | be provided with                              | }             |                  |
| compensating starting equipment acceptable to the Seller.  |   |               |                  |
|  |   | ł             |                  |
|  |   |               |                  |
|  |   |               |                  |
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|  |   |               |                  |
|  |   |               |                  |
|  | PUBLIC SERVICE COA<br>OF KENTUCK              |               |                  |
|  | EFFECTIVE                                     |               |                  |
|  | 4 4   |               |                  |
|  | JUN 04 19                                     | 91            |                  |
|  | PURSUANT TO 807 KA                            | R 5:011.      |                  |
|  | SECTION 9 (1                                  | )             |                  |
|  | BY: <u>Stephanu</u> B<br>SECRETARY OF THE CON | MICENN        |                  |
|  | OLONEIMIN OF THE COM                          | MISSION       |                  |
|  |   |               |                  |
|  |   | \             |                  |
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|  |   | 1             |                  |
| ATE OF ICELES  | EFFECTIVE DATE:                               | lune.         | 4, 1997          |
| UED BY: June 11, 1997  President & Gen   | eral Manager                                  |               | e, KY 4006       |
|  |   | - SUMBIOVVIII | 411117           |



## August 12, 2008

## **Average Underground Cost Differential**

(Filed in compliance with 807 KAR 5:041 Section 21 (5)

Average cost differential - individual single phase underground primary:

Average cost, individual single phase underground primary = \$24.03 per foot Average cost, individual single phase overhead primary = \$9.96 per foot

Average cost differential =

\$ 14.07 per foot\*

Customer to trench, furnish and install all conduit and fittings and back-fill trench per Cooperative's specifications. Cooperative will in turn, complete the installation and credit the Customer \$6.98 per foot against the Cooperative's differential cost for the Customer's contribution in kind: \$14.07 - \$6.98 = \$7.09 per foot\*.

Average cost differential-individual single phase underground service:

Average cost, individual single phase underground service = \$17.25 per foot Average cost, individual single phase overhead service = \$13.11 per foot

Average cost differential =

\$ 4.14 per foot\*

Customer to trench, furnish and install all conduit and fittings and back-fill trench per the Cooperative's specifications. The Cooperative in consideration of the Customer's contribution in-kind will complete the underground service installation at: No Charge\*. If the Customer desires underground residential service and is unable to perform the aforementioned, the Cooperative will contract to do this work for the Customer on an individual basis and will charge accordingly.

\*Note: The above underground construction costs do not include production endmission removal or other procedures which may be taken to assure proper burial depth and UCKY underground duct and cable systems. If rock is encountered or other procedures are deemed necessary to ensure proper burial depth and/or compliance with applicable codes, the actual additional cost shall apply.

PURSUANT TO 807 KAR 5:011

SECTION 9 (1)

www.shelbyenergy.com

620 Old Finchville Road • Shelbyville, Kentucky 40005-1/14

Shelby Co. (502) 633-4420 • Trimble Co. (502) 255-3260 • Henry Co. (502) 843-2843

| August 12, 2008  |                      |                                   |  |
|--|----------------------|-----------------------------------|--|
|  | Unit Cost            | Ftg. or No.                       | Ext. Cost  |
| Single Phase Underground Primary (from Work Orders)  |                      | 16,863                            | \$248,419.02   |
|  |                      |                                   |  |
| Conduit (Material)   | 1.77                 | 16,863                            | 29,847.51  |
| Conduit (Labor)  | 1.13                 | 16,863                            | 19,055.19  |
| Trenching/Back-fill  | 3.86                 | 16,863                            | 65,091.18  |
| Ells, fittings, misc material  | 38.00                | 168                               | 6,384.00   |
| Average Xfmr differential  | 552,50               | 66                                | 36,465.00  |
| Totals   |                      | 16,863                            | \$405,261.90   |
| with a second se |                      |                                   | 204.00   |
| Total Average Cost per Foot, Single Phase Underground Primary  |                      |                                   | \$24.03  |
| Less Average Cost per Foot, Overhead Single Phase Primary  |                      |                                   | 9.96   |
| Average Single Phase Underground Primary Differential Cost per Fo  | oot                  |                                   | \$14.07  |
|  |                      |                                   |  |
| , and the second |                      |                                   |  |
| Single Phase Underground Residential Service (from Work Orders)  |                      | 24,737                            | 289,615.26   |
| Single Phase Underground Residential Service (from Work Orders)  |                      | ·                                 | •  |
| Single Phase Underground Residential Service (from Work Orders)  Conduit (Material)  | 0.87<br>0.87         | 24,737                            | 21,521.19  |
| Single Phase Underground Residential Service (from Work Orders)  Conduit (Material)  Conduit (Labor)   | 0.87                 | 24,737<br>24,737                  | 21,521.19<br>21,521.19   |
| Single Phase Underground Residential Service (from Work Orders)  Conduit (Material)  | 0.87<br>0.87         | 24,737                            | 21,521.19  |
| Single Phase Underground Residential Service (from Work Orders)  Conduit (Material)  Conduit (Labor)  Treanching/Back-fill   | 0.87<br>0.87<br>3.50 | 24,737<br>24,737<br>24,737        | 21,521.19<br>21,521.19<br>86,579.50                                      |
| Single Phase Underground Residential Service (from Work Orders)  Conduit (Material) Conduit (Labor) Treanching/Back-fill Ells, fittings, misc. material  Totals  | 0.87<br>0.87<br>3.50 | 24,737<br>24,737<br>24,737<br>250 | 21,521.19<br>21,521.19<br>86,579.50<br>7,500.00<br>426,737.14            |
| Single Phase Underground Residential Service (from Work Orders)  Conduit (Material) Conduit (Labor) Treanching/Back-fill Ells, fittings, misc. material  Totals  Total Average Cost per Foot, Underground Residential Service  | 0.87<br>0.87<br>3.50 | 24,737<br>24,737<br>24,737<br>250 | 21,521.19<br>21,521.19<br>86,579.50<br>7,500.00<br>426,737.14<br>\$17.25 |
| Single Phase Underground Residential Service (from Work Orders)  Conduit (Material) Conduit (Labor) Treanching/Back-fill Ells, fittings, misc. material  Totals  | 0.87<br>0.87<br>3.50 | 24,737<br>24,737<br>24,737<br>250 | 21,521.19<br>21,521.19<br>86,579.50<br>7,500.00<br>426,737.14            |

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

9/12/2008

PURSUANT TO 807 KAR 5:011

SECTION 9 (1)

Executive Director

| Form for filing Rate Schedules                          | FOR        | All Territory Served |                     |  |
|---|------------|----------------------|---------------------|--|
|   | P.S.C. No. | Community            | , Town or City<br>5 |  |
| nelby Energy Cooperative, Inc.<br>Shelbyville, Kentucky | Original   | SHEET NO.            | 46                  |  |
|   | CANCELLING | 9 P.S.C. NO.         | 5                   |  |
| Name of Issuing Corporation                             |            | SHEET NO.            |                     |  |

| CABLE TELEVISION ATTACHMENT - RATE 5   |  |                    | RATE<br>PER UNI |            |
|--|--|--------------------|-----------------|------------|
| APPLICABILITY:  In all territory served by the complete for their electric plant.  AVAILABILITY:  To all qualified CATV operators by the complete served by the served by the complete served by the served by t | , ·  |                    | pany            | FLRUN      |
| The yearly rental charges shall be   | as follows:  |                    |                 |            |
| Two-party pole attachment  |  | <del>\$1.95</del>  | \$5,42          | (I)        |
| Three-party pole attachment  | PUBLIC SERVICE COMMISSION<br>OF KENTUCKY   | \$1.68             | 4.63            | (I)<br>(I) |
| Two-party anchor attachment  | EFFECTIVE  | <del>-\$1:59</del> | 7.02            | (F)        |
| Three party anchor attachment  | JUN 04 1997  | -\$1.06-           | 4,63            | (T)        |
| Two-party grounding attachment   | PURSUANT TO 807 KAR 5:011,<br>SECTION 9 (1)<br>BY: STOPHAND BUY<br>SECRETARY OF THE COMMISSION | -\$0.44            | 0.24            | (R)        |
| Three-party grounding attachment   |  | <b>-</b> \$0.27_   | 0.15            | (R)        |

| DATE OF ISSUE: | September 19, 1997            | EFFECTIVE DATE                            | June 4, 1997          |  |  |
|----------------|-------------------------------|---|-----------------------|--|--|
| SUED BY:       | Duth Botton                   | President & General Manager               | Shelbyville, KY 40065 |  |  |
|                | Name of Officer               | Title                                     | Address               |  |  |
|                | Issued by authority of an Ore | der of the Public Service Commission of K | Centucky in           |  |  |
|                | Case No.                      | Dated                                     | Datad                 |  |  |

| Form for filing Rate   | e Schedules  |  |   | FOR   | All Territory                      | / Served         |
|--|--|--|---|---|------------------------------------|------------------|
|  |  | PUBLIC SERVICE COMMISSION  |   |   | Community                          | , Town or City   |
|  |  |  | OF KENTUCKY   | P.S.C. No.  | •                                  | 5                |
|  |  |  | EFFECTIVE   |   |                                    |                  |
| ~  |  |  | 11111 0 4 1007  | Original  | SHEET NO.                          | 47               |
| helby Energy Cod   | •  |  | JUN 04 1997   |   |                                    | -                |
| Shelbyville, Kentud  | жу   |  | MOUNT TO GOT WAR FOLD   | CANCELLIN   | G P.S.C. NO.                       | 5                |
| Nam  | e of Issuing Corporation   | T.   | RSUANT TO 807 KAR 5:011,<br>SECTION 9 (1)   |   | SHEET NO.                          |                  |
|  |  |  | State A Res   |   |                                    |                  |
|  | CL   | ASSIFIC  | ATION OF SERVICE  |   |                                    |                  |
|  | CABLE  | E TELEV  | ISION ATTACHMENT -  | RATE 5  |                                    | RATE<br>PER UNIT |
| BILLING:   |  |  |   |   |                                    |                  |
|  |  |  |   |   |                                    |                  |
|  |  |  | sed on the number of pole   |   | ٠ ]                                |                  |
|  |  |  | percent (10%) higher. In t  |   | 1.                                 |                  |
| current bill i   | s not paid within ten (10)   | days from  | n the date of the bill, the g   | ross snam ap  | piy.                               |                  |
| NOT  | E. Diagount or nanaity m   | wat annly  | to all electric customers,  | hut chall ann   | dy                                 |                  |
|  |  |  | 30) days before the late pe   |   |                                    |                  |
| SPECIFICA  | TIONS:   |  |   |   |                                    |                  |
| revisions the  | ents of the National Elect   | rical Safe<br>wful requ  | l by this tariff shall at all the<br>ety Code, 1981 Edition, an<br>irements of public authori   | d subsequen   | t                                  |                  |
|  | e transverse and vertical l  | oad impo   | y this agreement shall be s<br>sed upon them under the s<br>or the area in which they a   | storm loading   | g of                               |                  |
| ESTABLISI  | HING POLE USE:   |  |   |   |                                    |                  |
| and shall conoperator shat pole line, together number of the Cooperator. | under this tariff, they sha<br>mply with the procedures<br>Il furnish the Cooperative<br>gether with necessary map<br>and character of the attach<br>erative's fixtures and equi | Il notify the establish detailed os, indication ments to proper the contract of the contract o | I make use of any of the potenthe Cooperative of their in ed by the Cooperative. The construction plans and drating specifically the poles be placed on such poles, accessary for the attachment and poles that CATV inter- | tent in writing CATV wings for ear of the Coope and rearranged, any relocat | ch<br>erative,<br>ements<br>ion or |                  |
| DATE OF ISSUE:   | September 19, 1997   |  | EFFECTIV  | /E DATE:  | June                               | 4, 1997          |
| ~  | A 10 D 4   | ()   |   |   |                                    |                  |
| SUED BY:   | Judy Dollan  | - M.   | President & General Manage  | ger   |                                    | e, KY 40065      |
|  | Name of Officer  | V  | Title   |   | Address                            |                  |

Case No.

| orm for filing Rate Schedules   |   | FOR   | All Territory Served                             |                     |
|---|---|---|--|---------------------|
|   | PUBLIC SERVICE COMMISSION<br>OF KENTUCKY  | P.S.C. No.  | Community  | , Town or City<br>5 |
|   | EFFECTIVE   | Original  | SHEET NO.  | 48                  |
| nelby Energy Cooperative, Inc.<br>nelbyville, Kentucky  | JUN 04 1997   | CANCELLI  | NG P.S.C. NO.                                    | 5                   |
| Name of Issuing Corporation   | PURSUANT TO 807 KAR 5:011,<br>SECTION 9 (1)   |   | SHEET NO.  |                     |
|   | BY: Stephan Bell  | •   |  |                     |
| CLA   | SSIFICATION OF SERVICE  |   |  |                     |
| CABLE   | TELEVISION ATTACHMENT - 1   | RATE 5  |  | RATE<br>PER UNIT    |
| ESTABLISHING POLE USE: (contin  | ued)  |   |  |                     |
| drawings, submit to the CATV operator value of materials) of all changes that in notice by CATV operator to the Cooper Cooperative shall proceed with the nec Upon completion of all changes, the CA attachments in accordance with the te operator shall, at his own expense, make the service of the Cooperative. | nay be required in each such pole literative that the cost estimate is appropersory changes in pole lines cover ATV operator shall have the right learns of the application of this tarif | nd and less ne. Upon yoved, the ed by cost nereunder to f. The CA | salvage<br>written<br>estimate.<br>o make<br>ATV |                     |
| B. Upon completion of all of Cooperative the actual cost (including of making such changes. The obligation of amounts shown on estimates made by the actual cost of all such changes shall operator in a form mutually agreed upon  | of the CATV operator hereunder shall be cooperative hereunder. An item be submitted by the Cooperative to   | materials) of<br>all not be linized stater                        | imited to nent of                                |                     |
| C. Any reclearing of existing the establishment of pole line attachment operator.   | ng rights-of-way and any tree trimn<br>nts hereunder shall be performed b   |   |  |                     |
| D. All poles to which attack<br>the property of the Cooperative, and an<br>in pole line under this tariff shall not en<br>said poles.   |   | erator for c  | hanges   |                     |
| ATE OF ISSUE: September 19, 1997  | EFFECTIV  | E DATE:   | June   | 4, 1997             |
| SUED BY: Dunder Botton  | . President & General Manage  | er  | Shelbyvill                                       | le, KY 40065        |
| Name of Officer   | Title   |   | Address  |                     |

Case No.

| Form for filing Rate   | Schedules  |   | FOR                        | All Territor  | Served           |  |
|--|--|---|----------------------------|---------------|------------------|--|
|  |  |   |                            | Community     | , Town or City   |  |
|  |  | PUBLIC SERVICE COMMISSION<br>OF KENTUCKY  | P.S.C. No.                 | L             | 5                |  |
| ~  |  | EFFECTIVE   | Original                   | SHEET NO.     | 49               |  |
| nelby Energy Coop  | •  |   |                            |               |                  |  |
| Shelbyville, Kentuck   | у  | JUN 04 1997   | CANCELLIN                  | IG P.S.C. NO. | 5                |  |
| Name   | of Issuing Corporation                                     |   |                            | SHEET NO.     |                  |  |
|  |  | PURSUANT TO 807 KAR 5:011,  |                            |               |                  |  |
| CLASSIFIE ATION OF SERVICE   |  |   |                            |               |                  |  |
|  | CABLE T  | ELEVISION ATTACHMENT - 1  | RATE 5                     |               | RATE<br>PER UNIT |  |
| ESTABLISH  | ING POLE USE: (continue                                    | d)  |                            |               |                  |  |
| E.   | Any charges necessary for                                  | correction of substandard install   | ation made                 | by the        |                  |  |
|  |  | ent had not been requested, shall   |                            |               |                  |  |
| equal to twice authorized.   | the charges that would have                                | e been imposed if the attachment  | had been p                 | properly      |                  |  |
| EASEMENTS  | S AND RIGHTS-OF-WAY  | :   |                            |               |                  |  |
| prevented from   | privileges or easements, and no placing or maintaining its | warrant nor assure to the CATV d if the CATV operator shall at a attachments on the Cooperative the Cooperative. Each party shall soft-way. | ny time be<br>'s poles, no |               |                  |  |
| MAINTENAI  | NCE OF POLES, ATTACH                                       | MENTS AND OPERATION:  |                            |               |                  |  |
|  | oles necessary, such relocat                               | nsiderations or public regulations<br>ion shall be made by the Coopera<br>the cost of transferring its own a                                | ative at its               | own           |                  |  |
| B. Whenever it is necessary to replace or relocate an attachment, the Cooperative shall, before making such replacement or relocation, give forty-eight (48) hours notice (except in cases of emergency) to the CATV operator, specifying in said notice the time of such proposed replacement or relocation, and the CATV operator shall, at the time so specified, transfer its attachments to the new or relocated pole. Should the CATV operator fail to transfer its attachments to the new or relocated pole at the time specified for such transfer of attachments, the Cooperative may elect to do such work and the CATV operator shall pay the Cooperative the cost thereof. |  |   |                            |               |                  |  |
| DATE OF ISSUE:   | September 19, 1997   | EFFECTIVE   | DATE:                      | June          | 4, 1997          |  |
| SUED BY:   | PARH 1   | h. President & General Manage   | ٥r                         |               | e, KY 40065      |  |
| JULD UI.   | Name of Officer  | Title   |                            | Address       | 0,111,0000       |  |

Case No.

| Form for filing Rate Schedules  | PUBLIC SERVICE COMMISSION  |   |   | FOR  | All Territory Served         |                   |
|---|--|---|---|--|------------------------------|-------------------|
|   | OF   | KENTU(<br>FFECTIV   | CKY   | P.S.C. No.   | Community                    | , Town or Ci<br>5 |
| selling Francis Conservation I  | .1111.   | 104   | 1997  | Original   | SHEET NO.                    | 50                |
| nelby Energy Cooperative, Inc.<br>Shelbyville, Kentucky   |  |   | 'KAR 5:011,   | CANCELLIN  | IG P.S.C. NO.                | 5                 |
| Name of Issuing Corporation   | Steph<br>By: Steph   | CTION !   | 9(1)<br>BW  |  | _SHEET NO                    |                   |
| CL  |  | OF TUT  | MOISSIN   | THE STATE OF THE S                         |                              |                   |
| CABLI   | E TELEVISION   | ATTA  | CHMENT - 1  | RATE 5   |                              | RATE<br>PER UNI   |
| MAINTENANCE OF POLES, ATTA  | ACHMENTS AN  | D OP  | ERATION: (  | continued)   |                              |                   |
| C. Any existing attachment cations as set out in this tariff hereof spractical. The Cooperative, because of inspect each new installation of the Calines or appurtenances. Such inspectic CATV operator of any responsibility,  D. The Cooperative reserve maintain its poles and to operate its far judgment, best enable it to fulfill its or be liable to the CATV operator for any interference with the operation of the earising in any manner out of the use of the CATV operator, make the occurrence of any such damage can and, except for removal for non-payme "Performance Bond", agrees to reimbiguence of the CATV operator for the negligence of the Cooperative. | shall be brought in of the importance ATV operator on on, made or not, obligation of liables to itself, its statistics thereon in which service requires the Cooperative exercise reasonals an immediate required by its employers the CATV of the CAT | nto co of its its po shall r bility a nccess n such rement service applia e's pol- ole car port to oyees, to pos perato | nformity thereservice, reservice, reservice, reservice, reservices and int he not operate to assumed under and assigns manner as with the Cooperation of CATV operations of the Catvo agents or contor maintain of all reasors. | ewith as soo<br>ves the right<br>vicinity of<br>relieve the<br>r the tariff.  s, the right tall, in its own<br>erative shall<br>becator or for<br>CATV operations.  The requirement of tractors,<br>the requirement of the requirem | on as t to its  o n l not or |                   |
| INSPECTIONS:  |  |   |   |  |                              |                   |
| A. <u>Periodic Inspections</u> : A operator will be billed at a rate of two been due, had the installation been ma  | times the amoun  | t equa  | I to the rate th  | at would ha  | ave                          |                   |
| ATE OF ISSUE: September 19, 1997  |  |   | EFFECTIVE   | DATE:  | June                         | 4, 1997           |
| SUED BY: Sutte Button Name of Officer   |  | nt & Ge<br>itie   | eneral Manage   | er   | Shelbyville<br>Address       | , KY 40065        |
| Issued by authority of an O   | order of the Public  | c Servi   | ce Commissio  | on of Kantiu   | alay in                      |                   |

|  | PUBLIC SERVICE COMMISSION  | FOR  | All Territory Served                       |                     |
|--|--|--|--|---------------------|
|  | OF KENTUCKY EFFECTIVE  | P.S.C. No.   | Community                                  | , Town or City<br>5 |
| ielby Energy Cooperative, Inc.   | JUN 04 1997  | Original   | SHEET NO.                                  | 51                  |
| Shelbyville, Kentucky  |  | CANCELLIN  | NG P.S.C. NO.                              | 5                   |
| Name of Issuing Corporation  | PURSUANT TO 807 KAR 5:011,<br>SECTION 9 (1)  |  | SHEET NO.                                  |                     |
| CLA  | SECRETARY OF THE COMMISSION ASSIFICATION OF SERVICE  | ***************************************  |  |                     |
| CABLE  | TELEVISION ATTACHMENT -  | RATE 5   |  | RATE<br>PER UNIT    |
| INSPECTIONS: (continued)   |  |  |  |                     |
| B. <u>Make-Ready Inspection</u> inspection required of the Cooperative to the Cooperative's actual expenses, p   |  |  | - 1  |                     |
| INSURANCE OR BOND:   |  |  |  |                     |
| Cooperative from any and all damage, forfeiture of every kind and nature, inc defending against the same and payme of (a) injuries or deaths to persons,   | cluding, but not limited to, costs and<br>ent of any settlement or judgment the<br>(b) damages to or destruction of pro-   | penalty or l expenses of erefor, by reporties,   | of   |                     |
| (d) violations of governmental laws, re Cooperative itself, or indirectly by reas parties, resulting or alleged to have res its employees, agents, or other represer Cooperative, either solely or in concu Cooperative. The Cooperative shall be B. The CATV operator with  | son of claims, demands or suits assulted from acts or omissions of the ntatives or from their presence on the arrence with any alleged joint negle liable for sole active negligence.  Il provide coverage from a company  | d directly by ainst it by CATV open premises igence of t   | third<br>erator,<br>e of the<br>he         |                     |
| (d) violations of governmental laws, re Cooperative itself, or indirectly by reas parties, resulting or alleged to have resits employees, agents, or other represer Cooperative, either solely or in concurcoperative. The Cooperative shall be B. The CATV operator will do business in the Commonwealth of F   | egulations or orders whether suffered son of claims, demands or suits agoutted from acts or omissions of the intatives or from their presence on the interpretation of the intatives or from their presence on the interpretation of the intatives or from their presence on the interpretation of the intatives or from their presence on the interpretation of | d directly by gainst it by CATV opene premises igence of to authorized                                   | third<br>erator,<br>e of the<br>he         |                     |
| (d) violations of governmental laws, re Cooperative itself, or indirectly by reas parties, resulting or alleged to have res its employees, agents, or other represer Cooperative, either solely or in concu Cooperative. The Cooperative shall be  B. The CATV operator wi do business in the Commonwealth of B  1. Protection for its emplo Compensation Law of B  2. Public liability coverage | egulations or orders whether suffered son of claims, demands or suits agoutted from acts or omissions of the intatives or from their presence on the interpretation of the intatives or from their presence on the interpretation of the intatives or from their presence on the interpretation of the intatives or from their presence on the interpretation of | d directly by gainst it by CATV opene premises igence of the yauthorized when's                          | third<br>erator,<br>s of the<br>he<br>d to |                     |
| (d) violations of governmental laws, re Cooperative itself, or indirectly by reas parties, resulting or alleged to have res its employees, agents, or other represer Cooperative, either solely or in concu Cooperative. The Cooperative shall be B. The CATV operator wi do business in the Commonwealth of B  1. Protection for its emplo Compensation Law of B  2. Public liability coverage  | egulations or orders whether suffered son of claims, demands or suits agoutted from acts or omissions of the intatives or from their presence on the interpretation of the intatives or from their presence on the interpretation of the intatives or from their presence on the interpretation of the intatives or from their presence on the interpretation of the intatives of the interpretation of the  | d directly by gainst it by CATV opene premises igence of the carry authorized when's own or city minimum | third<br>erator,<br>s of the<br>he<br>d to | <b>2</b> 4, 1997    |

Case No.

| Form for filing Rate Sch                                     | edules   | PUBLIC SERVICE COMMISSION  | FOR                                 | All Territor                         | ritory Served       |  |
|--|--|--|-------------------------------------|--------------------------------------|---------------------|--|
|  |  | OF KENTUCKY EFFECTIVE  | P.S.C. No.                          | Community                            | , Town or City<br>5 |  |
| _<br>nelby Energy Coopera                                    | tive. Inc.   | JUN 04 1997  | Original                            | SHEET NO.                            | 52                  |  |
| Shelbyville, Kentucky  |  |  | CANCELLI                            | NG P.S.C. NO.                        | 5                   |  |
| Name of Is   | sulng Corporation  | PURSUANT TO 807 KAR 5011. SECTION 9 (1) BY: Stephan BU   |                                     | SHEET NO.                            |                     |  |
|  | CLAS   | SECRETARY OF THE COMMISSION SIFICATION OF SERVICE  |                                     |                                      |                     |  |
|  | CABLE T  | ELEVISION ATTACHMENT -   | RATE 5                              |                                      | RATE<br>PER UNIT    |  |
| an   |  | or each person and \$300,000.00 fo<br>y or death, and \$25,000.00 as to t  |                                     | ,                                    |                     |  |
| of   | •  | 00,000.00 as to any one accident   |                                     |                                      |                     |  |
| furnished to the (   | Cooperative a certificate  | er this tariff, the CATV operator s<br>for such coverage, evidencing the<br>er shall contain a contractual endo  | e existence                         | of such                              |                     |  |
| Cooperati<br>the insure<br>may not b                         | ive, Inc., so as to guaranted of any indemnity agree   | herein shall also be for the benefatee, within the coverage limits, the ement set forth in this tariff. This e without thirty (30) days advance perative, Inc."                | ne performa<br>s insurance          | nce by<br>or bond                    |                     |  |
| CHANGE OF US   | SE PROVISION:  |  |                                     |                                      |                     |  |
| reasons unrelated<br>hours notice of th<br>unable or unwilli | to the CATV operation<br>ne proposed change (exp<br>ng to meet the Coopera<br>and charge the CATV of | otly requires a change in its poles as, the CATV operator shall be givect in case of emergency). If the tive's time schedule for such charapperator its reasonable cost for pe | ven forty-e<br>CATV openges, the Co | ight (48)<br>erator is<br>coperative |                     |  |
|  |  |  |                                     |                                      |                     |  |
| DATE OF ISSUE:   | September 19, 1997   | EFFECTIV   | E DATE:                             | June                                 | 4, 1997             |  |
| SUED BY:   | Name of Officer  | President & General Manag  | er                                  | Shelbyvil<br>Address                 | le, KY 40065        |  |
| lssue<br>Case  |  | er of the Public Service Commiss<br>Date   |                                     | ucky in                              |                     |  |

| Form for filing Rate Schedules   |   | FOR  | All Territory  | / Served            |
|--|---|--|--|---------------------|
|  | PUBLIC SERVICE COMMISSION<br>OF KENTUCKY<br>EFFECTIVE   | P.S.C. No.   | Community  | , Town or City<br>5 |
| ~  | 2,, 40,   | Original   | SHEET NO.  | 53                  |
| nelby Energy Cooperative, Inc. Shelbyville, Kentucky   | JUN 04 1997   | CANCELLI   | NG P.S.C. NO.  | 5                   |
| Name of Issuing Corporation  | PURSUANT TO 807 KAR 5:011.<br>SECTION 9 (1)   |  | SHEET NO.  |                     |
|  | BY: Stephand BU   | -  |  |                     |
| C  | LASSIFICATION OF SERVICE  |  |  |                     |
| CAB  | LE TELEVISION ATTACHMENT -  | RATE 5   |  | RATE<br>PER UNIT    |
| ABANDONMENT:   |   |  |  |                     |
| operator has attachments, it shall git least thirty (30) days prior to the day expiration of said period, the Cooper CATV operator shall not have remote thereupon become the property of the harmless the Cooperative from all concurred thereafter; and shall pay the Cooperative's depreciated cost there to the CATV operator of title to the B. The CATV operator by giving due notice thereof in written and all attachments it may have the Cooperative the full rental for said permit governing the use of such percentage of the permit governing the use of such percentage of the cooperator shall remove its facilities for the cooperator shal | esires at any time to abandon any pole we the CATV operator notice in writing to on which it intends to abandon such erative shall have no attachments on such eved all of its attachments therefrom, so the CATV operator, and the CATV operation, liability, damages, cost, expect Cooperative for such pole an amount event. The Cooperative shall further evid pole by means of a bill of sale.  In may at any time abandon the use of the ing to the Cooperative and by removing the control of the then current billing period. The CATV operator shall in such pole for the then current billing period. The cative to the CATV operator that the control of the cooperative of the cooperator is any removal resulting from such forby any removal resulting from such forby. | g to that efficient pole. If, at the pole, but uch pole, but uch pole shorator shall thenses or character that equal to the dence transite attached in the case pay the polynomers, and the Conorefund | Tect at the the all save arges arges fer pole any to the the ATV |                     |
| DATE OF ISSUE: September 19, 199   | o7 EFFECTIV   | E DATE:  | June   | 4, 1997             |
| SUED BY: Dall Billion Name of Officer  | President & General Manag   |  |  | le, KY 40065        |
|  | n Order of the Public Service Commissi  | ion of Kentı   |  |                     |

Case No.

| Form for filing Ra   | te Schedules  |   | FOR  | All Territor          | y Served       |
|--|---|---|--|-----------------------|----------------|
|  |   | PUBLIC SERVICE COMMISSION   |  | Community             | , Town or City |
|  |   | OF KENTUCKY<br>EFFECTIVE  | P.S.C. No.   |                       | 5              |
|  |   |   | Original   | SHEET NO.             | 54             |
| helby Energy Co  | -   | JUN 04 1997   |  |                       |                |
| Shelbyville, Kentu   | cky   |   | CANCELLI   | NG P.S.C. NO.         | 5              |
| Naı  | ne of Issuing Corporation   | PURSUANT TO 807 KAR 5:011. SECTION 9 (1)  | <b>h</b>   | SHEET NO.             |                |
|  | CLASS   | SIFICATION OF SERVICE   |  |                       |                |
|  | CARLE TE  | ELEVISION ATTACHMENT -  | RATE 5   |                       | RATE           |
|  | CABLE 11  | ELEVISION ATTACHMENT  | RAILS  |                       | PER UNIT       |
| Eac<br>upon said a<br>property sh  | ttached poles, and the taxes and all be paid by the owner thereo  | assessments lawfully levied on i<br>d the assessments which are levi<br>of, but any tax fee, or charge levi<br>ir use by the CATV operator sha  | ied on said<br>led on the  | · ·                   |                |
| the CATV   | <del>-</del>  | ,   | •  |                       |                |
| BOND OR  | DEPOSITOR PERFORMANG  | CE:   |  |                       |                |
| insurance c thousand do twenty-five shall be inc hundred (10 of which sh construction terminated the desire of Upon receif immediatel Cooperativ facilities fro request from | overage for the purposes hereing<br>ollars (\$25,000.00), until such a<br>chundred (2,500) poles of the Oreased to increments of One the<br>200) poles (or fraction thereof) of<br>hall be presented to the Coopera<br>and Such bond or insurance sha<br>prior to six (6) months after rea<br>of the Bonding or Insurance Co<br>put of such notice, the Cooperat<br>y remove its cables, wires, and<br>e. If the CATV operator should<br>om the poles of the Cooperative<br>on the Cooperative, then the Co | sh bond or satisfactory evidence nafter specified in the amount of time as the CATV operator shall cooperative and thereafter the argument of the cousand dollars (\$1,000.00), for occupied by the CATV operator, ative fifteen (15) days prior to be a contain the provision that it should be the cooperative of written and the cooperative of the cooperative of the cooperative shall request the CATV operation all other facilities from all pole defail to complete the removal of the within thirty (30) days after resoperative shall have the right to cator and without being liable for | Twenty-fire of the country of the co | ve<br>eof<br>of<br>e. |                |
| DATE OF ISSUE:   | September 19, 1997  | EFFECTIV  | E DATE:  | June                  | e 4, 1997      |
| SUED BY:   | DIR RH  | President & General Manag   | er   |                       | le, KY 40065   |
| SULD B1:   | Name of Officer   | Title   |  | Address               |                |

Issued by authority of an Order of the Public Service Commission of Kentucky in Dated \_\_\_\_\_ Case No.

| Form for filing Rate Schedules   |   | FOR  | All Territory             |                  |
|--|---|--|---------------------------|------------------|
|  |   | P.S.C. No.                                     | Community,                | Town or City 5   |
| •  |   | Original                                       | SHEET NO.                 | 55               |
| nelby Energy Cooperative, Inc.   |   |  | NC D C C NO               | 5                |
| Shelbyville, Kentucky  |   | CANCELLI                                       | NG P.S.C. NO<br>SHEET NO. | 5                |
| Name of Issuing Corporation  |   |  | - 0112211101              |                  |
| CLASSIFI   | CATION OF SERVICE   |  |                           |                  |
| CABLE TELE   | VISION ATTACHMENT - F                                     | RATE 5   |                           | RATE<br>PER UNIT |
| BOND OR DEPOSITOR PERFORMANCE:   | (continued)   |  |                           |                  |
| to the CATV operator's wires, cables, fixtures insurance shall guarantee the payment of any Cooperative for rentals, inspections or work properator under this tariff, including the removes service by any of its provisions. | sums which may become due erformed for the benefit of the | e to the<br>ne CATV                            |                           |                  |
| B. After the CATV operator has be and not in default for a period of two years, the by 50%, or, at the Cooperative's option, requies 807 KAR 5:006, Section 7.   | e Cooperative shall reduce the                            |  |                           |                  |
| USE OF ANCHORS:  |   |  |                           |                  |
| The Cooperative reserves the right to by CATV operator where the strength or concreadily identified by visual inspection.  |   |  | ,                         |                  |
| DISCONTINUANCE OF SERVICE:   |   |  |                           |                  |
| The Cooperative may refuse or discort under the conditions set out in 807 KAR 5:00   | 6, Section 11. PUBLIC SEF                                 | customer<br>RVICE COMM<br>KENTUCKY<br>FFECTIVE | NISSION                   |                  |
|  | JUL   | V 0 4 199                                      | 7                         |                  |
|  | se<br>by:_ <i>Stec</i> h                                  |  | u                         |                  |
| DATE OF ISSUE: September 19, 1997  | SECRETARY<br>EFFECTIVI                                    | CETHECOMN<br>EDATE:                            | June                      | 4, 1997          |
| SUED BY: Julla Button J.  Name of Officer  | President & General Manage                                | <u>ər</u>                                      | Shelbyvil<br>Address      | le, KY 40065     |
| Issued by authority of an Order of   | the Public Service Commissi                               | on of Kent                                     | tucky in                  |                  |

Case No.

| Form for filing Rate          | Schedules   | FOR   | All Territory Served      |  |  |
|-------------------------------|---|---|---------------------------|--|--|
|                               |   | P.S.C. No.  | Community, Town or City 5 |  |  |
|                               |   |   |                           |  |  |
| ્<br>ડેhelby Energy Coo       | perative. Inc.  | Original  | SHEET NO. 56              |  |  |
| Shelbyville, Kentuc           |   | CANCELLIN   | NG P.S.C. NO. 5           |  |  |
| Name                          | of Issuing Corporation  | Paragram and an annual and an annual and an annual and an annual and an | SHEET NO.                 |  |  |
|                               | CLASSIFICATIO   | N OF SERVICE  |                           |  |  |
|                               | VOLUNTARY INTERRU   | JPTIBLE SERVICE - RATE 23   | RATE<br>PER UNIT          |  |  |
| STANDARD                      | RIDER   |   |                           |  |  |
| This Volunta<br>B3, C1, C2, a | ry Interruptible Service is a rider to Rate and C3.   | : Schedule(s) 2, 4, 22, B1, B2,   |                           |  |  |
| APPLICABI                     | E   |   |                           |  |  |
| In all service                | territory served by the Cooperative.  |   |                           |  |  |
| _                             | ble demand which is already under contr<br>ble for this service.  | ract under any other Interruptible  | е                         |  |  |
| AVAILABII                     | ITY OF SERVICE  |   |                           |  |  |
| where an ulti                 | e shall be made available at any load cen<br>mate "Customer" is capable of interrupt<br>has contracted with the Cooperative to do | ing at least 1,000 kW upon  |                           |  |  |
| CONDITION                     | NS OF SERVICE   |   |                           |  |  |
| 1.                            | Any request for interruption under this Cooperative.  | s Rider shall be made by the  |                           |  |  |
| 2.                            | Each interruption will be strictly volume   |   |                           |  |  |
| 3.                            | No responsibility of any kind shall att<br>account of, any loss or damage caused<br>interruption or curtailment of this serv      | I by, or resulting from, any vice.  | 13 2000                   |  |  |
|                               |   | PURSUANT TO   |                           |  |  |
| DATE OF ISSUE: _              | October 13, 2000  | EFFECTIVE DATE:   | November 13, 2000         |  |  |
| SSUED BY:                     | Dell RH President   | dent & CEO  | Shelbyville, KY 40068     |  |  |

| Devil Better                      | President & CEO | Shelbyville, KY 40065 Address |
|-----------------------------------|-----------------|-------------------------------|
| Issued by authority of an Order o |                 | ssion of Kentucky in          |

| Form for filing Rate    | Schedules  |  | FOR   | All Territor                              | y Served         |
|-------------------------|--|--|---|---|------------------|
|                         |  |  | P.S.C. No.  | Community                                 | Town or City .5  |
|                         |  |  |   | OUTET NO                                  |                  |
| ે<br>ડેhelby Energy Cod | pperative, Inc.  |  | Original  | _SHEET NO.                                | 57               |
| Shelbyville, Kentucky   |  |  | CANCELLIN   | NG P.S.C. NO.                             | 5                |
| Nam                     | e of Issuing Corporation   | -  | <del></del>   | SHEET NO.                                 |                  |
|                         | CLASSI   | FICATION OF SERVICE  |   |   |                  |
|                         | VOLUNTARY I  | NTERRUPTIBLE SERVIC  | CE - RATE 23  |   | RATE<br>PER UNIT |
| 4.                      | The Customer shall agree by<br>all necessary equipment for r<br>telemetering and communica<br>premises, required for interru   | eceiving electric energy and<br>tions equipment, within the  | l all   |   |                  |
| 5.                      | It is the Cooperative's responsan interruption request. There shall mutually agree upon the notify the Customer of a requestable include the means by we the interruption request (e.g. point of contact to receive su | refore, the Cooperative and the manner by which the Cooperative Such which the Cooperative shall commail, phone, pager, etc.) are  | the Customer<br>perative shall<br>an agreement<br>communicate |   |                  |
| 6.                      | The Cooperative will attemp<br>possible for requests for inter<br>acceptance of the Terms of In<br>interrupted with as little as of  | rruption. However, upon the nterruption the Customer's leading the Customer's leading to the customer's leading to the customer's leading to the customer the cus | e Customer's<br>load shall be                                 |   |                  |
| 7.                      | The Cooperative reserves the ability to interrupt its load.  | e right to require verification  | n of a Custome  | er's                                      |                  |
| 8.                      | The Customer is not eligible when the Customer's interruptive period of the requested in any event outside of the Customer splanned or unplanned outside refurbishment, renovation, st                                 | ptible load is down for other<br>nterruption. Such down time<br>tomer's normal operating ci-<br>ages due to renovation, repa   | r reasons durii<br>e would inclue<br>rcumstances s            | ng<br>de<br>uch<br>Tomas (1.724)<br>Tomas |                  |
| DATE OF ISSUE:          | October 13, 2000   | EFFEC1   | IVE DATE:   | Novemi                                    | per 13, 2000     |
| SSUED BY:               | DIRH ()  | President & CEO  |   | · · · · · · · · · · · · · · · · · · ·     | le, KY 40065     |
|                         | Name of Officer  | Title  | -   | Address                                   |                  |

Case No.

| Form for filing Rate                            | Schedules  |   | FOR                                     | All Territo        |   |
|---|--|---|---|--------------------|---|
|   |  |   | P.S.C. No.                              | Communit           | y, Town or City<br>5  |
|   |  |   | Original                                | SHEET NO.          | 58  |
| Shelby Energy Coo<br>Shelbyville, Kentuc        | •  |   | CANCELLIN                               | G P.S.C. NO.       | 5   |
| Name  | of Issuing Corporation   | <del></del>   |   | SHEET NO.          |   |
|   | CLASSIF  | ICATION OF SERVICE  |   |                    | refine terminal film the control of |
|   | VOLUNTARY II   | NTERRUPTIBLE SERVICE -  | RATE 23                                 |                    | RATE<br>PER UNIT  |
| INTERRUPT                                       | IBLE CUSTOMER DATA RE  | PORT  |   |                    |   |
|   | r shall furnish to the Cooperative shall include such information  | -   | ata Report                              |                    |   |
| 1.  | The maximum number of hou Customer has the ability to in   | rs per day and the time of day t<br>terrupt.  | that the                                |                    |   |
| 2.  | The maximum number of day days that the Customer has the   | s and the maximum number of e the ability to interrupt.                                       | consecutiv                              | ve                 |   |
| 3.  | The maximum interruptible demand by the Customer upon  | emand and the minimum interron request.   | uptible                                 | 20 <b>01</b> , 333 | adV<br>Edir otherwij  |
| 4.  | The minimum price at which   | each Customer is willing to into  | errupt.                                 |                    |   |
| DEMAND A  | ND ENERGY INTERRUPTIO  | И   |   | NO                 |   |
| comply to the Cooperative in the sole judge     | r will agree by contract, within<br>extent possible with the Coope<br>is the sole judge of the need for<br>the of the amount of interruptible<br>ing calculation:  | erative's request to interrupt loa<br>interruption of load. The Coop                          | id. The perative is                     | t<br>mile<br>in in | TO ROY NATIONS<br>THE COMMON TO THE   |
| immediately<br>the existing d<br>the difference | of the integrated fifteen-minute preceding the call for interruption the mand level. The hourly interruption between the existing demand I the interruption period. The integral of the integr | on will be used as the basis for uptible demands for each custo evel and the actual demand me | establishir<br>mer will b<br>asured dur | ng<br>e<br>ring    |   |
| ATE OF ISSUE:                                   | October 13, 2000   | EFFECTIVE   | DATE:                                   | Novem              | ber 13, 2000  |
| SSUED BY:                                       | Tidle Better J.  | President & CEO   |   | Shelbyvi           | lle, KY 40065   |

Case No.

| Form for filing Rate   | Schedules  | FOR   | All Territory Served     |   |
|--|--|---|--------------------------|---|
|  |  |   | Community                | , Town or City                              |
|  |  | P.S.C. No.  |                          | 5   |
| _  |  | Original  | SHEET NO.                | 59  |
| Shelby Energy Coo<br>Shelbyville, Kentuc   | •  | CANCELLI  | NG P.S.C. NO.            | 5   |
| Nam  | e of Issuing Corporation   |   | SHEET NO.                |   |
|  | CLASSIFICATION OF SERVICE  |   |                          |   |
|  | VOLUNTARY INTERRUPTIBLE SERVICE  | E - RATE 23   |                          | RATE<br>PER UNIT                            |
|  | sum of the hourly interrupted demands. These type of interroop more than six hours.  | uptions will  | cover                    |   |
| for the same to the day of The average fifteen minute equal the amwill equal the | ions longer than six hours in duration, the Customer's avera hours as the interruption hours in the two preceding busines notice will used as the basis for determining the demand level hourly usage for these business days, based on the average the demand intervals, minus the actual load during the interruption of interruptible load. The interrupted energy of each interrupted interruptible load. The interrupted energy of each be the sum of the hourly interrupted demands. | ss days prior vel for interruited integrated ption period interruption period | uption.<br>will<br>eriod |   |
| TERMS OF   | INTERRUPTION   |   |                          |   |
| interrupted.<br>in accordanc   | erruption request, the Cooperative shall identify the Customer The Cooperative shall inform the Customer of an interruption with the agreed upon method of notification. The Terms the following:  | on request  | on                       |   |
| 1.   | The time at which each interruption shall begin is to be est<br>the Cooperative. At least one (1) hour of advance notice<br>request for interruption shall be provided by the Cooperat   | of each   |                          | To the post                                 |
| 2.   | The duration in clock hours of the interruption request is established by the Cooperative.   | to be   | NOV                      | 13 2000                                     |
| 3.   | The price and the potential savings. This savings will be<br>by the Cooperative on a case by case basis and will be bas<br>percentage of the market price of power at the time of the  | sed on a  | PURSULIT T               | 9897 543 5611<br>103 - 143<br>103 - 103 - 1 |
| DATE OF ISSUE:   | October 13, 2000 EFFECT  | IVE DATE:   | Novem                    | ber 13, 2000                                |
|  | M. B. D. President & CEO   |   |                          | ille, KY 40065                              |
| .SSUED BY:   | Fresident a CEO  | in the same similar   | OHGIDY V                 |   |

| Name of Officer                | Title                                     | Address |
|--------------------------------|---|---------|
| Issued by authority of an Orde | er of the Public Service Commissi<br>Date |         |
|                                |   |         |

All Territory Served
Community, Town or City FOR Form for filing Rate Schedule P.S.C. No. 5 60 3rd Revised Sheet No. Shelby Energy Cooperative, Inc. Shelbyville, Kentucky Name of Issuing Corporation 5 P.S.C. NO. 2nd Revised Sheet No. 60

| CLASSIFICATION OF SERVICE   |          |
|---|----------|
| OPPOINT OUTPOOR HOUTING SERVICE PATE 22   | Rate     |
| SPECIAL OUTDOOR LIGHTING SERVICE - RATE 33  | Per Unit |
| AVAILABILITY:   |          |
| 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.   |          |
| TYPE OF SERVICE:  |          |
| 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.  |          |
| RATES:  The monthly charge will be the sum of items (1) and (2) below.  1. The Energy Rate for each type of lamp shall be \$ 0.06440 per kWh as determined by the following formula:  | (1)      |
| Monthly Rated kWh = (4100 hours per year X Manufacturer's total input rating in watts) divided by (12X1000).  |          |
| 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   |          |
| FUEL ADJUSTMENT CLAUSE:   |          |
| This rate may be increased or decreased by an amount per kWh equal to the fuel adjusmtment 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. |          |

| subject to all other ap | phicable provisions as set out in K |           |                      |  |
|-------------------------|-------------------------------------|-----------|----------------------|--|
| DATE OF ISSUE:          | July 21, 2009                       | DATE E    | FECTIVE:             | August 1, 2009                                   |
| ISSUED BY:              | Name of Officer                     | tini      | PHRLLC               | SERVICE COMMISSION<br>OF KENTUCKY<br>EFFECTIVE   |
| Issued by               | authority of an Order of the Public | Service ( | ommission of<br>PURS | 8/1/2009<br>Kentucky In<br>UANT TO 807 KAR 5:011 |
| Case No.                | 2008-00536                          |           | Dated                | SECTIONIO (4,)2009                               |
|                         |                                     |           | ву                   | Executive Director                               |

Form for filing Rate Schedule

FOR

All Territory Served

Community, Town or City

P.S.C. No. Original Sheet No. 60

Shelby Energy Cooperative, Inc. Shelbyville, Kentucky

Name of Issuing Corporation

Case No.

| CLASSIFICATION OF SERVICE  |          |
|--|----------|
|  | Rate     |
| RENEWABLE RESOURCE ENERGY - RATE 24  | Per Unit |
| STANDARD RIDER   |          |
| This Renewable Resource Energy is a rider to all current rate schedules. The purpose of this rider is to provide consumers with renewable resource energy that is considered to be environmentally friendly. This type of power is also know as "green power". |          |
| APPLICABLE   |          |
| To the entire territory served by Shelby Energy Cooperative.   |          |
| AVAILABLE  |          |
| This schedule is available to any consumer on any other rate schedule offered by Shelby Energy Cooperative in the following block amounts:   |          |
| 100 kWh Block (minimum size) or greater  |          |
| The consumer will contract with the Cooperative to purchase these blocks of energy under this rider.   |          |
| RATES  |          |
| The monthly rate for this service will be renewable resource energy premium.  This renewable resource energy premium is provided below:   □ UBLIC SERVICE COMMISSIO  ○F KENTUCKY  □ FFECTIVE   | И        |
| \$0.0275 per kWh or \$2.75 per 100 kWh block   |          |
| JUL 0 1 2003 This rate is in addition to the regular retail rates for power.   |          |
| PURSUANT TO 807 KAR 5:01<br>SECTION 9 (1)  | 1        |
| DATE OF ISSUE: 30-May-03  DATE EFFECTIVE DIRECTION   |          |
| ISSUED BY: TITLE: President & Name of Officer  | CEO      |
| Issued by authority of an Order of the Public Service Commission of Kentucky in  |          |

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City
P.S.C. N0. 5
Original Sheet No. 61

Shelby Energy Cooperative, Inc. Shelbyville, Kentucky

Name of Issuing Corporation

| CLASSIFICATION OF SERVICE  |             |
|--|-------------|
|  | Rate        |
| RENEWABLE RESOURCE ENERGY - RATE 24  | Per Unit    |
| AGREEMENT  | ·           |
| An "Agreement for the Purchase of Renewable Resource Energy" shall be executed by the consumer prior to service under this schedule.   |             |
| BILLING AND MINIMUM CHARGES  |             |
| Blocks of power contracted for under this tariff shall constitute the minimum amount of energy that the customer will be billed during a normal billing period. The consumer shall be billed at the normal rate for all energy purchased in excess of the contracted renewable resource energy amount. For billing periods shorter than the normal billing cycle or when actual energy usage is less than the contracted amount for renewable resource energy, the consumer shall pay for the full block of renewable energy at the established premium price. |             |
| TERMS OF SERVICE AND PAYMENT   |             |
| This rider shall be subject to all other terms and conditions of service and payment of the regular tariffs applicable to the consumer.  |             |
| CONDITIONS OF SERVICE  |             |
| The rates granted under this rider shall require the execution of a one (1) year contract between the consumer and the Cooperative.  PUBLIC SERVICE COMMISS OF KENTUCKY EFFECTIVE  | ION         |
| JUL <b>0 1</b> 2003  |             |
| PURSUANT TO 807 KAR 5<br>SECTION 9 (1)   | 011         |
| DATE OF ISSUE: 30-May-03 QATE EFFECTIVE PLOTOS   | <del></del> |
| ISSUED BY:  Name of Officer  Name of Officer   | & CEO       |
| Issued by authority of an Order of the Public Service Commission of Kentucky in  |             |
| Case No. Dated   |             |

|   |                    | ERRITORY SERV       |          |
|---|--------------------|---------------------|----------|
|   | Commi              | unity, Town or City | ,        |
|   | P.S.C. KY. NO.     | ****                | 5        |
|   | Original           | _SHEET NO           | 62       |
| Shelby Energy Cooperative, Inc. Shelbyville, Kentucky   |                    |                     |          |
| CLASSIFICATION O  | F SERVICE          |                     |          |
| RATES SCHEDULE ES – ENVIRO  | NMENTAL SU         | URCHARGE            |          |
| AVAILABILITY  | ,<br>-             |                     |          |
| In all of the Company's service territory.  |                    |                     |          |
| APPLICABILITY   |                    |                     |          |
| This rate schedule shall apply to all electric rate schedu  | ıles and special c | ontracts.           |          |
| RATE  |                    |                     |          |
| CES(m) = ES(m) - BESF   |                    |                     |          |
| where CES(m) = Current Month Environmental St<br>ES(m) = Current Month Environmental St<br>BESF = Base Environmental Surcharge Fa   | ircharge Calcula   |                     |          |
| ES(m) = [((WESF) x (Average of 12-months ended re excluding environmental surcharge)) + (Over)/Under [Average of 12-months ending Retail Revenue (excluding environmental surcharge)] | Recovery] divid    | led by              | em,<br>= |
| where WESF = Wholesale Environmental Surcharge I  | Factor for Current | Expense Month       |          |
|   |                    |                     |          |

| DATE OF ISSUE               | March 17, 200         | 5                  |                     |
|-----------------------------|-----------------------|--------------------|---------------------|
| DATE OF ISSUE               |                       | nth / Date / Year  |                     |
| DATE EFFECTIVE_             | Service rendered begi | inning July 1, 200 | 95                  |
| ISSUED BY                   | udler Dit             | nature of Officer) |                     |
| TITLE Pre                   | esident & CEO         |                    |                     |
| BY AUTHORITY OF IN CASE NO. | 2004 00272            |                    | COMMISSION 03/17/05 |

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/1/2005
PURSUANT TO 807 KAR 5:011

SECTION 9 (1)

Executive Director

# FOR ENTIRE TERRITORY SERVED Community, Town or City P.S.C. KY. NO. \_SHEET NO. \_\_\_63 Original Shelby Energy Cooperative, Inc. Shelbyville, Kentucky **CLASSIFICATION OF SERVICE** (Over)/Under Recovery = 6-months cumulative (over)/under recovery as defined by amount billed by EKPC to Member System minus the amount billed by Member System to retail customer. Over or under recoveries shall be amortized over a six-month period. BESF = zeroBILLING The current expense month (m) shall be the second month preceding the month in which the Environmental Surcharge is billed.

DATE OF ISSUE March 17, 2005

Month / Date / Year

DATE EFFECTIVE Service rendered beginning July 1, 2005

Month Date / Year

ISSUED BY Month Date / Year

ISSUED BY Cignature of Officer)

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION IN CASE NO. 2004–00372

DATED 03/17/05

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/1/2005
PURSUANT TO 807 KAR 5:011

SECTION 9 (1)

Executive Director

#### RATES SCHEDULE NM—NET METERING

#### AVAILABILITY OF NET METERING SERVICE

Net Metering is available to eligible member-generators in Shelby Energy Cooperative's service territory, upon request, and on a first-come, first-served basis up to a cumulative capacity of one percent (1%) of the Shelby Energy Cooperative's single hour peak load during the previous year. If the cumulative generating capacity of net metering systems reaches 1% of a supplier's single hour peak load during the previous year, upon Commission approval, Shelby Energy Cooperative's obligation to offer net metering to a new member-generator may be limited. An eligible member-generator shall mean a member retail electric member of Shelby Energy Cooperative with a generating facility that:

- 1) Generates electricity using solar energy, wind energy, biomass or biogas energy, or hydro energy;
- 2) Has a rated capacity of not greater than thirty (30) kilowatts;
- 3) Is located on the member's premises;
- 4) Is owned and operated by the member;
- 5) Is connected in parallel with Shelby Energy Cooperative's electric distribution system; and
- 6) Has the primary purpose of supplying all or part of the member's own electricity requirements.

At its sole discretion, Shelby Energy Cooperative may provide Net Metering to other membergenerators not meeting all the conditions listed above on a case-by-case basis.

# METERING

Shelby Energy Cooperative shall provide net metering services, without any cost to the Member for metering equipment, through a standard kilowatt-hour metering system capable of measuring the flow of electricity in two (2) directions. This provision does not relieve Member of his or her responsibility to pay metering costs embedded in the Shelby Energy Cooperative's Commission-

|  | PUBLIC SERVICE COMMISSION                            |
|--|--|
| DATE OF ISSUE April 6, 2009 DATE EFFE                            | ECTIVE: April 8, 2000 FECTIVE                        |
| ISSUED BY John Master TITLE Presi                                | 4/8/2009<br>ident & Chief Excentive Office KAR 5:011 |
| Issued by authority of an Order of the Public Service Commission | of Kentucky in SECTION 9 (1)                         |
| Case No. 2008-00169 Dated January 8, 2009                        | By Becutive Director                                 |

approved base rates. Net metered electricity shall be measured in accordance with standard metering practices established by Shelby Energy Cooperative using metering equipment capable of measuring and recording energy flows, on a kWh basis, from Shelby Energy Cooperative o the member-generator and from the member-generator to Shelby Energy Cooperative, with each directional energy flow recorded independently. If time-of-day or time-of-use metering is used, the electricity fed back to the electric grid by the member-generator shall be metered and accounted for at the specific time it is fed back to the electric grid in accordance with the time-of-day and time-of-use billing agreement currently in place.

Any additional meter, meters, or distribution upgrades needed to monitor the flow in each direction shall be installed at the Member's expense.

# BILLING AND PAYMENT

For charges collected on the basis of metered registration, Shelby Energy Cooperative shall, for each monthly billing period, determine the net meter registration of the member-generator by comparing the directional energy flow in each direction. If the net meter registration shows that the deliveries of energy in kWh from the member-generator to Shelby Energy Cooperative exceed the deliveries of energy in kWh from Shelby Energy Cooperative to the member-generator, the net meter registration in kWh will be carried forward to the next monthly billing period as a Net Metering Credit, expressed in kWh. If the member-generators carried over a Net Metering Credit from one of more prior months, the net meter registration from the current month shall be added to the Net Metering Credit that exists from prior months.

If the net metering registration shows that deliveries of energy in kWh from the Cooperative to the member-generator exceed the deliveries of energy in kWh from the member-generator to the Cooperative, the member-generator shall pay the Cooperative for the net amount of energy delivered by the Cooperative after application of any Net Metering Credit carried forward from previous months at the current rate applicable to its type or class of electric service.

The member shall be responsible for payment of any applicable member charge or other applicable charges.

At no time shall Shelby Energy Cooperative be required to convert the Net Billing Credit to cash. If a member-generator closes his account, no cash refund for residual Net Metering Credits shall be paid.

| •   |   |
|---|---|
| Net Metering Credits are not transferable between members | or locations. PUBLIC SERVICE COMMISSION OF KENTUCKY |
| DATE OF ISSUE April 6, 2009 DATE EFFE                     | ECTIVE: April 8, 2005 FFECTIVE                      |
|   | By Executive Director                               |

# APPLICATION AND APPROVAL PROCESS

The Member shall submit an Application for Interconnection and Net Metering ("Application") and receive approval from Shelby Energy Cooperative prior to connecting the generator facility to Shelby Energy Cooperative's system.

Applications will be submitted by the Member and reviewed and processed by Shelby Energy Cooperative according to either Level 1 or Level 2 processes defined in this tariff.

Shelby Energy Cooperative may reject an Application for violations of any code, standard, or regulation related to reliability or safety; however, Shelby Energy Cooperative will work with the Member to resolve those issues to the extent practicable.

Members may contact Shelby Energy Cooperative to check on status of an Application or with questions prior to submitting an Application. Contact information is provided on the Application form and is listed on Shelby Energy Cooperative's website.

# LEVEL 1 AND LEVEL 2 DEFINITIONS

#### LEVEL 1

A Level 1 Application shall be used if the generating facility is inverter-based and is certified by a nationally recognized testing laboratory to meet the requirements of Underwriters Laboratories Standard 1741 "Inverters, Converters, Controllers and Interconnection System Equipment for Use With Distributed Energy Resources" (UL 1741).

Shelby Energy Cooperative will approve the Level 1 Application if the generating facility also meets all of the following conditions:

1) For interconnection to a radial distribution circuit, the aggregated generation on the circuit, including the proposed generating facility, will not exceed 15% of the Line Section's most recent annual one hour peak load. A line section is the smallest part of the primary distribution system the generating facility could remain connected to after operation of any sectionalizing devices.

PUBLIC SERVICE COMMISSION

DATE OF ISSUE April 6, 2009

DATE EFFECTIVE: April 8 2000 KENTUCKY

April 8 2000 KENTUCKY

4/8/2009

ISSUED BY

ITTLE President & Chief Executive Officer (AR 5:011)

Issued by authority of an Order of the Public Service Commission of Kentucky in SECTION 9 (1)

Case No. 2008-00169 Dated January 8, 2009

By

Executive Director

- 2) If the proposed generating facility is to be interconnected on a single-phase shared secondary, the aggregate generation capacity, including the proposed generating facility, will not exceed the smaller of 20 kVA or the nameplate rating of the transformer.
- 3) If the proposed generating facility is single-phase and is to be interconnected on a center tap neutral of a 240 volt service, its addition shall not create an imbalance between the two sides of the 240 volt service of more than 20% of the nameplate rating of the service transformer.
- 4) If the generating facility is to be connected to three-phase, three wire primary Shelby Energy Cooperative distribution lines, the generator shall appear as a phase-to-phase connection at the primary Shelby Energy Cooperative distribution line.
- 5) If the generating facility is to be connected to three-phase, four wire primary Shelby Energy Cooperative distribution lines, the generator shall appear to the primary Shelby Energy Cooperative distribution line as an effectively grounded source.
- 6) The interconnection will not be on an area or spot network.
- 7) Shelby Energy Cooperative does not identify any violations of any applicable provisions of IEEE 1547, "Standard for Interconnecting Distributed Resources with Electric Power Systems."
- 8) No construction of facilities by Shelby Energy Cooperative on its own system will be required to accommodate the generating facility.

If the generating facility does not meet all of the above listed criteria, Shelby Energy Cooperative, in its sole discretion, may either: 1) approve the generating facility under the Level 1 Application if Shelby Energy Cooperative determines that the generating facility can be safely and reliably connected to Shelby Energy Cooperative's system; or 2) deny the Application as submitted under the Level 1 Application.

Shelby Energy Cooperative shall notify the member within 20 business days whether the Application is approved or denied, based on the criteria provided in this section.

|   |                        | DUDU IO OFFI VOE OOM VOOLO       |
|---|------------------------|----------------------------------|
| DATE OF ISSUE April 6, 2009                           | DATE EFFECTI           | VE. ADILIS, 2007 KENTUCKY        |
|   |                        | ,                                |
| ISSUED BY Martin                                      | _TITLE <u>Presider</u> | t & Chief Executive Officer      |
| Issued by authority of an Order of the Public Service | e Commission of        | Kentucky RSUANT TO 807 KAR 5:011 |
| Case No. 2008-00169 Dated January 8, 2009             |                        | SECTION 9 (1)                    |
|   |                        | i                                |

If the Application lacks complete information, Shelby Energy Cooperative shall notify the Member that additional information is required, including a list of such additional information. The time between notification and receipt of required additional information will add to the time to process the Application.

When approved, Shelby Energy Cooperative will indicate by signing the approval line on the Level 1 Application Form and returning it to the Member. The approval will be subject to successful completion of an initial installation inspection and witness test if required by Shelby Energy Cooperative. Shelby Energy Cooperative's approval section of the Application will indicate if an inspection and witness test are required. If so, the Member shall notify Shelby Energy Cooperative within 3 business days of completion of the generating facility installation and schedule an inspection and witness test with Shelby Energy Cooperative to occur within 10 business days of completion of the generator facility installation or as otherwise agreed to by Shelby Energy Cooperative and the Member. The Member may not operate the generating facility until successful completion of such inspection and witness test, unless Shelby Energy Cooperative expressly permits operational testing not to exceed two hours. If the installation fails the inspection or witness test due to non-compliance with any provision in the Application and Shelby Energy Cooperative approval, the Member shall not operate the generating facility until any and all non-compliance issues are corrected and re-inspected by Shelby Energy Cooperative.

If the Application is denied, Shelby Energy Cooperative will supply the Member with reasons for denial. The Member may resubmit under Level 2 if appropriate.

#### LEVEL 2

A Level 2 Application is required under any of the following:

- 1) The generating facility is not inverter based;
- 2) The generating facility uses equipment that is not certified by a nationally recognized testing laboratory to meet the requirements of UL 1741; or
- 3) The generating facility does not meet one or more of the additional conditions under Level 1.

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Shelby Energy Cooperative will approve the Level 2 Application if the generating facility meets Shelby Energy Cooperative's technical interconnection requirements, which are based on IEEE 1547.

Shelby Energy Cooperative will process the Level 2 Application within 30 business days of receipt of a complete Application. Within that time Shelby Energy Cooperative will respond in one of the following ways:

- 1) The Application is approved and Shelby Energy Cooperative will provide the Member with an Interconnection Agreement to sign.
- 2) If construction or other changes to Shelby Energy Cooperative's distribution system are required, the cost will be the responsibility of the Member. Shelby Energy Cooperative will give notice to the Member and offer to meet to discuss estimated costs and construction timeframe. Should the Member agree to pay for costs and proceed, Shelby Energy Cooperative will provide the Member with an Interconnection Agreement to sign within a reasonable time.
- 3) The Application is denied. Shelby Energy Cooperative will supply the Member with reasons for denial and offer to meet to discuss possible changes that would result in Shelby Energy Cooperative approval. Member may resubmit Application with changes.

If the Application lacks complete information, Shelby Energy Cooperative shall notify the Member that additional information is required, including a list of such additional information. The time between notification and receipt of required additional information will add to the 30-business-day target to process the Application.

The Interconnection Agreement will contain all the terms and conditions for interconnection consistent with those specified in this tariff, inspection and witness test requirements, description of and cost of construction or other changes to Shelby Energy Cooperative's distribution system required to accommodate the generating facility, and detailed documentation of the generating facilities which may include single line diagrams, relay settings, and a description of operation.

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The Member may not operate the generating facility until an Interconnection Agreement is signed by the Member and Shelby Energy Cooperative and all necessary conditions stipulated in the agreement are met.

# APPLICATION, INSPECTION AND PROCESSING FEES

No application fees or other review, study, or inspection or witness test fees may be charged by Shelby Energy Cooperative for Level 1 Applications.

Shelby Energy Cooperative requires each Member to submit with each Level 2 Application a non-refundable application, inspection and processing fee of \$100 for Level 2 Applications. In the event Shelby Energy Cooperative determines an impact study is necessary with respect to a Level 2 Application, the Member shall be responsible for any reasonable costs up to \$1,000 for the initial impact study. Shelby Energy Cooperative shall provide documentation of the actual cost of the impact study. Any other studies requested by the Member shall be at the Member's sole expense.

# TERMS AND CONDITIONS FOR INTERCONNECTION

To interconnect to Shelby Energy Cooperative's distribution system, the Member's generating facility shall comply with the following terms and conditions:

- 1) Shelby Energy Cooperative shall provide the Member net metering services, without charge for standard metering equipment, through a standard kilowatt-hour metering system capable of measuring the flow of electricity in two (2) directions. If the Member requests any additional meter or meters or distribution upgrades are needed to monitor the flow in each direction, such installations shall be at the Member's expense.
- 2) The Member shall install, operate, and maintain, at Member's sole cost and expense, any control, protective, or other equipment on the Member's system required by Shelby Energy Cooperative's technical interconnection requirements based on IEEE 1547, the NEC, accredited testing laboratories such as Underwriters Laboratories, and the manufacturer's suggested practices for safe, efficient and reliable operation

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of the generating facility in parallel with Shelby Energy Cooperative's electric system. Member shall bear full responsibility for the installation, maintenance and safe operation of the generating facility. Upon reasonable request from Shelby Energy Cooperative, the Member shall demonstrate generating facility compliance.

- The generating facility shall comply with, and the Member shall represent and warrant its compliance with: (a) any applicable safety and power quality standards established by IEEE and accredited testing laboratories such as Underwriters Laboratories; (b) the NEC as may be revised from time to time; (c) Shelby Energy Cooperative's rules, regulations, and Service Regulations as contained in Shelby Energy Cooperative's Retail Electric Tariff as may be revised from time to time with the approval of the Kentucky Public Service Commission (Commission); (d) the rules and regulations of the Commission, as such rules and regulations may be revised from time to time by the Commission; and (e) all other applicable local, state, and federal codes and laws, as the same may be in effect from time to time. Where required by law, Member shall pass an electrical inspection of the generating facility by a local authority having jurisdiction over the installation.
- 4) Any changes or additions to Shelby Energy Cooperative's system required to accommodate the generating facility shall be considered excess facilities. Member shall agree to pay Shelby Energy Cooperative for actual costs incurred for all such excess facilities prior to construction.
- Member shall operate the generating facility in such a manner as not to cause undue fluctuations in voltage, intermittent load characteristics or otherwise interfere with the operation of Shelby Energy Cooperative's electric system. At all times when the generating facility is being operated in parallel with Shelby Energy Cooperative's electric system, Member shall operate the generating facility in such a manner that no adverse impacts will be produced thereby to the service quality rendered by Shelby Energy Cooperative to any of its other members or to any electric system interconnected with Shelby Energy Cooperative's electric system. Member shall agree that the interconnection and operation of the generating facility is secondary to, and shall not interfere with, Shelby Energy Cooperative's ability to meet its primary responsibility of furnishing reasonably adequate service to its members.

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- The Member shall be responsible for protecting, at Member's sole cost and expense, the generating facility from any condition or disturbance on Shelby Energy Cooperative's electric system, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment failures, and lightning or switching surges, except that Shelby Energy Cooperative shall be responsible for repair of damage caused to the generating facility resulting solely from the negligence or willful misconduct on the part of Shelby Energy Cooperative.
- 7) After initial installation, Shelby Energy Cooperative shall have the right to inspect and/or witness commissioning tests, as specified in the Level 1 or Level 2 Application and approval process. Following the initial testing and inspection of the generating facility and upon reasonable advance notice to the Member, Shelby Energy Cooperative shall have access at reasonable times to the generating facility to perform reasonable on-site inspections to verify that the installation, maintenance, and operation of the generating facility comply with the requirements of this tariff.
- 8) For Level 1 and 2 generating facilities, an eligible Member shall furnish and install on the Member's side of the point of common coupling a safety disconnect switch which shall be capable of fully disconnecting the Member's energy generating equipment from Shelby Energy Cooperative's electric service under the full rated conditions of the Member's generating facility. The external disconnect switch (EDS) shall be located adjacent to Shelby Energy Cooperative's meters or the location of the EDS shall be noted by placing a sticker on the meter, and shall be of the visible break type in a metal enclosure which can be secured by a padlock. If the EDS is not located directly adjacent to the meter, the Member shall be responsible for ensuring that the location of the EDS is properly and legibly identified for so long as the generating facility is operational. The disconnect switch shall be accessible to Shelby Energy Cooperative personnel at all times. Shelby Energy Cooperative may waive the requirement for an EDS for a generating facility at its sole discretion, and on a case-by-case basis, upon review of the generating facility operating parameters and if permitted under Shelby Energy Cooperative's safety and operating protocols.
- 9) Shelby Energy Cooperative shall have the right and authority at Shelby Energy Cooperative's sole discretion to isolate the generating facility or require the Member to discontinue operation of the generating facility if Shelby Energy

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Cooperative believes that: (a) continued interconnection and parallel operation of the generating facility with Shelby Energy Cooperative's electric system may create or contribute to a system emergency on either Shelby Energy Cooperative's or the Member's electric system; (b) the generating facility is not in compliance with the requirements of this tariff, and the noncompliance adversely affects the safety, reliability, or power quality of Shelby Energy Cooperative's electric system; or (c) the generating facility interferes with the operation of Shelby Energy Cooperative's electric system. In non-emergency situations, Shelby Energy Cooperative shall give the Member notice of noncompliance including a description of the specific noncompliance condition and allow the Member a reasonable time to cure the noncompliance prior to isolating the generating facilities. In emergency situations, when Shelby Energy Cooperative is unable to immediately isolate or cause the Member to isolate only the generating facility, Shelby Energy Cooperative may isolate the Member's entire facility.

- 10) The Member shall agree that, without the prior written permission from Shelby Energy Cooperative, no changes shall be made to the generating facility as initially approved. Increases in generating facility capacity will require a new "Application for Interconnection and Net Metering" which will be evaluated on the same basis as any other new application. Repair and replacement of existing generating facility components with like components that meet UL 1741 certification requirements for Level 1 facilities and not resulting in increases in generating facility capacity is allowed without approval.
- 11) To the extent permitted by law, the Member shall protect, indemnify, and hold harmless Shelby Energy Cooperative and its directors, officers, employees, agents, representatives and contractors against and from all loss, claims, actions or suits, including costs and attorneys fees, for or on account of any injury or death of persons or damage to property caused by the Member or the Member's employees, agents, representatives and contractors in tampering with, repairing, maintaining, or operating the Member's generating facility or any related equipment or any facilities owned by Shelby Energy Cooperative except where such injury, death or damage was caused or contributed to by the fault or negligence of Shelby Energy Cooperative or its employees, agents, representatives, or contractors.

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The liability of Shelby Energy Cooperative to the Member for injury to person and property shall be governed by the tariff(s) for the class of service under which the Member is taking service.

- 12) The Member shall maintain general liability insurance coverage (through a standard homeowner's, commercial, or other policy) for both Level 1 and Level 2 generating facilities. The Member shall, upon request, provide Shelby Energy Cooperative with proof of such insurance at the time that application is made for net metering.
- 13) By entering into an Interconnection Agreement, or by inspection, if any, or by non-rejection, or by approval, or in any other way, Shelby Energy Cooperative does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable codes or requirements, or as to any other characteristics, of the generating facility equipment, controls, and protective relays and equipment.
- 14) A Member's generating facility is transferable to other persons or service locations only after notification to Shelby Energy Cooperative has been made and verification that the installation is in compliance with this tariff. Upon written notification that an approved generating facility is being transferred to another person, member, or location, Shelby Energy Cooperative will verify that the installation is in compliance with this tariff and provide written notification to the member(s) within 20 business days. If the installation is no longer in compliance with this tariff, Shelby Energy Cooperative will notify the Member in writing and list what must be done to place the facility in compliance.
- 15) The Member shall retain any and all Renewable Energy Credits (RECs) that may be generated by their generating facility.

# EFFECTIVE TERM AND TERMINATION RIGHTS

This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) Member may terminate this Agreement at any time by giving Shelby Energy Cooperative at least sixty (60) days' written notice; (b) Shelby Energy Cooperative may terminate upon failure by the Member to continue ongoing operation of the generating facility; (c) either party may terminate by giving the other party at

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least thirty (30) days prior written notice that the other party is in default of any of the terms and conditions of the Agreement or the Rules or any rate schedule, tariff, regulation, contract, or policy of Shelby Energy Cooperative, so long as the notice specifies the basis for termination and there is opportunity to cure the default; (d) Shelby Energy Cooperative may terminate by giving the Member at least thirty (30) days notice in the event that there is a material change in an applicable law, regulation or statute affecting this Agreement or which renders the system out of compliance with the new law or statute.

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# LEVEL 1

# Application for Interconnection and Net Metering

Use this application form only for a generating facility that is inverter based and certified by a nationally recognized testing laboratory to meet the requirements of UL1741.

Submit this Application to:

Shelby Energy Cooperative, Inc 620 Old Finchville Rd Shelbyville, KY 40065

If you have questions regarding this Application or its status, contact the Cooperative at:

(502) 633-4420

| Member Name:  | Account Number:   |  |  |  |
|---|---|--|--|--|
| Member Address:   |   |  |  |  |
| Member PhoneNo.:  | Member E-Mail Address:                                      |  |  |  |
| Project Contact Person:   |   |  |  |  |
| Phone No.:  | E-mail Address (Optional):                                  |  |  |  |
| Provide names and contact information for other contractors, installers, or engineering firms involved in the design and installation of the generating facilities: |   |  |  |  |
|   | <b>7</b> , <b>7</b>   |  |  |  |
| ,   | Wind Hydro Biogas Biomass                                   |  |  |  |
| Inverter Manufacturer and Mod   | lel #:  |  |  |  |
| Inverter Power Rating:  | Inverter Voltage Rating:                                    |  |  |  |
| Power Rating of Energy Source   | e (i.e., solar panels, wind turbine):                       |  |  |  |
| Is Battery Storage Used:  | No Yes If Yes, Battery Power Rating:                        |  |  |  |
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For All Counties Served P.S.C. <u>5</u> Original Sheet No.109

# Shelby Energy Cooperative, Inc

Attach documentation showing that inverter is certified by a nationally recognized testing laboratory to meet the requirements of UL 1741.

Attach site drawing or sketch showing location of Cooperative's meter, energy source, Cooperative accessible disconnect switch and inverter.

Attach single line drawing showing all electrical equipment from the Cooperative's metering location to the energy source including switches, fuses, breakers, panels, transformers, inverters, energy source, wire size, equipment ratings, and transformer connections.

| Expected | 1 Start-up | Date: |  |
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#### TERMS AND CONDITIONS:

- 1) Shelby Energy Cooperative shall provide the Member net metering services, without charge for standard metering equipment, through a standard kilowatt-hour metering system capable of measuring the flow of electricity in two (2) directions. If the Member requests any additional meter or meters or distribution upgrades are needed to monitor the flow in each direction, such installations shall be at the Member's expense.
- 2) The Member shall install, operate, and maintain, at Member's sole cost and expense, any control, protective, or other equipment on the Member's system required by Shelby Energy Cooperative's technical interconnection requirements based on IEEE 1547, the NEC, accredited testing laboratories such as Underwriters Laboratories, and the manufacturer's suggested practices for safe, efficient and reliable operation of the generating facility in parallel with Shelby Energy Cooperative's electric system. The Member shall bear full responsibility for the installation, maintenance and safe operation of the generating facility. Upon reasonable request from Shelby Energy Cooperative, the Member shall demonstrate generating facility compliance.
- 3) The generating facility shall comply with, and the Member shall represent and warrant its compliance with: (a) any applicable safety and power quality standards established by IEEE and accredited testing laboratories such as Underwriters Laboratories; (b) the NEC as may be revised from time to time; (c) Shelby Energy Cooperative's rules, regulations, and Service Regulations as contained in Shelby Energy Cooperative's Retail Electric Tariff as may be revised from time to time with the approval of the Kentucky Public Service Commission (Commission); (d) the rules and regulations of the Commission, as such rules and regulations may be revised from time to time by the Commission; and (e) all other applicable local, state, and federal codes and laws, as the same may be in effect from time to time. Where required by law, Member shall pass an electrical inspection of the generating facility by a local authority having jurisdiction over the installation.
- 4) Any changes or additions to Shelby Energy Cooperative's system required to accommodate the generating facility shall be considered excess facilities. Member shall agree to pay Shelby Energy Cooperative for actual costs incurred for all such excess facilities prior to construction.

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- 5) The Member shall operate the generating facility in such a manner as not to cause undue fluctuations in voltage, intermittent load characteristics or otherwise interfere with the operation of Shelby Energy Cooperative's electric system. At all times when the generating facility is being operated in parallel with Shelby Energy Cooperative's electric system, the Member shall operate the generating facility in such a manner that no adverse impacts will be produced thereby to the service quality rendered by Shelby Energy Cooperative to any of its other members or to any electric system interconnected with Shelby Energy Cooperative's electric system. The Member shall agree that the interconnection and operation of the generating facility is secondary to, and shall not interfere with, Shelby Energy Cooperative's ability to meet its primary responsibility of furnishing reasonably adequate service to its members.
- 6) The Member shall be responsible for protecting, at Member's sole cost and expense, the generating facility from any condition or disturbance on Shelby Energy Cooperative's electric system, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment failures, and lightning or switching surges, except that Shelby Energy Cooperative shall be responsible for repair of damage caused to the generating facility resulting solely from the negligence or willful misconduct on the part of Shelby Energy Cooperative.
- 7) After initial installation, Shelby Energy Cooperative shall have the right to inspect and/or witness commissioning tests, as specified in the Level 1 or Level 2 Application and approval process. Following the initial testing and inspection of the generating facility and upon reasonable advance notice to the Member, Shelby Energy Cooperative shall have access at reasonable times to the generating facility to perform reasonable on-site inspections to verify that the installation, maintenance, and operation of the generating facility comply with the requirements of this tariff.
- 8) For Level 1 and 2 generating facilities, an eligible Member shall furnish and install on the Member's side of the point of common coupling a safety disconnect switch which shall be capable of fully disconnecting the Member's energy generating equipment from Shelby Energy Cooperative's electric service under the full rated conditions of the Member's generating facility. The external disconnect switch (EDS) shall be located adjacent to Shelby Energy Cooperative's meters or the location of the EDS shall be noted by placing a sticker on the meter, and shall be of the visible break type in a metal enclosure which can be secured by a padlock. If the EDS is not located directly adjacent to the meter, the

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Member shall be responsible for ensuring that the location of the EDS is properly and legibly identified for so long as the generating facility is operational. The disconnect switch shall be accessible to Shelby Energy Cooperative personnel at all times. Shelby Energy Cooperative may waive the requirement for an EDS for a generating facility at its sole discretion, and on a case-by-case basis, upon review of the generating facility operating parameters and if permitted under Shelby Energy Cooperative's safety and operating protocols.

- 9) Shelby Energy Cooperative shall have the right and authority at Shelby Energy Cooperative's sole discretion to isolate the generating facility or require the Member to discontinue operation of the generating facility if Shelby Energy Cooperative believes that; (a) continued interconnection and parallel operation of the generating facility with Shelby Energy Cooperative's electric system may create or contribute to a system emergency on either Shelby Energy Cooperative's or the Member's electric system; (b) the generating facility is not in compliance with the requirements of this tariff, and the noncompliance adversely affects the safety, reliability, or power quality of Shelby Energy Cooperative's electric system; or (c) the generating facility interferes with the operation of Shelby Energy Cooperative's electric system. In non-emergency situations, Shelby Energy Cooperative shall give the Member notice of noncompliance including a description of the specific noncompliance condition and allow the Member a reasonable time to cure the noncompliance prior to isolating the generating facilities. In emergency situations, when the Shelby Energy Cooperative is unable to immediately isolate or cause the Member to isolate only the generating facility, Shelby Energy Cooperative may isolate the Member's entire facility.
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11) To the extent permitted by law, the Member shall protect, indemnify, and hold harmless Shelby Energy Cooperative and its directors, officers, employees, agents, representatives and contractors against and from all loss, claims, actions or suits, including costs and attorneys fees, for or on account of any injury or death of persons or damage to property caused by the Member or the Member's employees, agents, representatives and contractors in tampering with, repairing, maintaining, or operating the Member's generating facility or any related equipment or any facilities owned by Shelby Energy Cooperative except where such injury, death or damage was caused or contributed to by the fault or negligence of Shelby Energy Cooperative or its employees, agents, representatives, or contractors.

The liability of Shelby Energy Cooperative to the Member for injury to person and property shall be governed by the tariff(s) for the class of service under which the Member is taking service.

- 12) The Member shall maintain general liability insurance coverage (through a standard homeowner's, commercial, or other policy) for both Level 1 and Level 2 generating facilities. The Member shall, upon request, provide Shelby Energy Cooperative with proof of such insurance at the time that application is made for net metering.
- 13) By entering into an Interconnection Agreement, or by inspection, if any, or by non-rejection, or by approval, or in any other way, Shelby Energy Cooperative does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable codes or requirements, or as to any other characteristics, of the generating facility equipment, controls, and protective relays and equipment.
- 14) A Member's generating facility is transferable to other persons or service locations only after notification to Shelby Energy Cooperative has been made and verification that the installation is in compliance with this tariff. Upon written notification that an approved generating facility is being transferred to another person, member, or location, Shelby Energy Cooperative will verify that the installation is in compliance with this tariff and provide written notification to the member(s) within 20 business days. If the installation is no longer in compliance with this tariff, Shelby Energy Cooperative will notify the Member in writing and list what must be done to place the facility in compliance.

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15) The Member shall retain any and all Renewable Energy Credits (RECs) that may be generated by their generating facility.

#### EFFECTIVE TERM AND TERMINATION RIGHTS

This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) The Member may terminate this Agreement at any time by giving Shelby Energy Cooperative at least sixty (60) days' written notice; (b) Shelby Energy Cooperative may terminate upon failure by the Member to continue ongoing operation of the generating facility; (c) either party may terminate by giving the other party at least thirty (30) days prior written notice that the other party is in default of any of the terms and conditions of the Agreement or the Rules or any rate schedule, tariff, regulation, contract, or policy of Shelby Energy Cooperative, so long as the notice specifies the basis for termination and there is opportunity to cure the default; (d) Shelby Energy Cooperative may terminate by giving the Member at least thirty (30) days notice in the event that there is a material change in an applicable law, regulation or statute affecting this Agreement or which renders the system out of compliance with the new law or statute.

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|  | P.S.C. <u>5</u>  |
| Shelby Energy Cooperative, Inc.  | Original Sheet No.115  |
|  | ny knowledge, all of the information provided in this Application is<br>erms and Conditions included in this Application for Interconnection<br>Cooperative's Net Metering Tariff.   |
| Member Signature   | Date   |
| Title  |  |
| C00  | PERATIVE APPROVAL SECTION  |
|  | representative, Application for Interconnection and Net Metering is nationed in this Application and as indicated below.   |
| Cooperative inspection and witnes  | test: Required Waived  |
| business days of completion witness test with the Coordinate generating facility installated Unless indicated below, the and witness test is success generating facility until all of Call | est is required, the Member shall notify the Cooperative within 3 of the generating facility installation and schedule an inspection and perative to occur within 10 business days of completion of the con or as otherwise agreed to by the Cooperative and the Member. Member may not operate the generating facility until such inspection sfully completed. Additionally, the Member may not operate the ther terms and conditions in the Application have been met. |
|  | t is waived, operation of the generating facility may begin when all other terms and conditions in the Application have been met.  |
| Additions, Changes, or Clarification   | to Application Information:  |
| None   | As specified here:   |
| Approved by:   | Date:  |
| Printed Name:  | Title:   |
|  |  |

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
DATE EFFECTIVE: April 8, 20098/2009 DATE OF ISSUE April 6, 2009 PURSUANT TO 807 KAR 5:011
TITLE President & Chief Executive Officer ISSUED BY ISSUED BY / / / / TITLE President Issued by authority of an Order of the Public Service Commission of F Case No. 2008-00169 Dated January 8, 2009

# LEVEL 2

# Application For Interconnection And Net Metering

Use this Application form when generating facility is not inverter-based or is not certified by a nationally recognized testing laboratory to meet the requirements of UL 1741 or does not meet any of the additional conditions under Level 1.

Submit this Application along with an application fee of \$100 to:

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

If you have questions regarding this Application or its status, contact the Cooperative at:

(502) 633-4420

| Member Name:Account Nu  | mber:  |
|---|--|
| Member Address:   | · ·  |
| Project Contact Person:   |  |
| Phone No.: Email Address (Optional  | 1):  |
| Provide names and contact information for other contractors, instal involved in the design and installation of the generating facilities: | llers, or engineering firms  |
|   |  |
| Total Generating Capacity of Generating Facility:   |  |
| Type of Generator: Inverter-Based Synchronous   | Induction  |
| Power Source: Solar Wind Hydro  | Biogas Biomass   |
| Adequate documentation and information must be submitted considered complete. Typically this should include the following:                |  |
| DATE OF ISSUE April 6, 2009 DATE EFFE   | PUBLIC SERVICE COMMISSION CTIVE: April 9 F2 M D TUCKY EFFECTIVE 4/8/2000 |
| ISSUED BY TITLE Presi<br>Issued by authority of an Order of the Public Service Commission<br>Case No. 2008-00169 Dated January 8, 2009    | dent & Chief Executive Officer<br>of Kentucky in SECTION 9 (1)           |
|   | By H Dew Executive Director  |

# Shelby Energy Cooperative, Inc

- 1. Single-line diagram of the member's system showing all electrical equipment from the generator to the point of interconnection with the Cooperative's distribution system, including generators, transformers, switchgear, switches, breakers, fuses, voltage transformers, current transformers, wire sizes, equipment ratings, and transformer connections.
- 2. Control drawings for relays and breakers.
- 3. Site Plans showing the physical location of major equipment.
- 4. Relevant ratings of equipment. Transformer information should include capacity ratings, voltage ratings, winding arrangements, and impedance.
- 5. If protective relays are used, settings applicable to the interconnection protection. If programmable relays are used, a description of how the relay is programmed to operate as applicable to interconnection protection.
- 6. A description of how the generator system will be operated including all modes of operation.
- 7. For inverters, the manufacturer name, model number, and AC power rating. For certified inverters, attach documentation showing that inverter is certified by a nationally recognized testing laboratory to meet the requirements of UL1741.
- 8. For synchronous generators, manufacturer and model number, nameplate ratings, and impedance data (Xd, X'd, & X"d).
- 9. For induction generators, manufacturer and model number, nameplate ratings, and locked rotor current.

| Member Signature:  | Date:   |
|--|---|
|  |   |
|  |   |
|  |   |
|  |   |
| DATE OF ISSUE April 6, 2009  | DATE EFFECTIVE PAHAISE BY OF KENTUCKY               |
| ISSUED BY Delder Martin  | TITLE President & Chief Executive Officer           |
| Issued by authority of an Order of the Public Servic Case No. 2008-00169 Dated January 8, 2009 | e Commission of Kentucky in 4/8/2009  SECTION 9 (1) |

# <u>LEVEL 2</u> INTERCONNECTION AGREEMENT

| THIS INTERCONNECTION AGREEMENT (Agreement) is made and entered into this day of , 20 , by and between   |
|---|
| this day of, 20, by and between (Cooperative), and (Member). Cooperative and Member are hereinafter sometimes referred to individually as "Party" or collectively as "Parties".   |
| WITNESSETH:   |
| WHEREAS, Member is installing, or has installed, generating equipment, controls, and protective relays and equipment (Generating Facility) used to interconnect and operate in parallel with Cooperative's electric system, which Generating Facility is more fully described in Exhibit A, attached hereto and incorporated herein by this Agreement, and as follows:  |
| Location:   |
| Generator Size and Type:  |
| NOW, THEREFORE, in consideration thereof, Member and Cooperative agree as follows:  |
| Cooperative agrees to allow the Member to interconnect and operate the Generating Facility in parallel with the Cooperative's electric system and the Member agrees to abide by Cooperative's Net Metering Tariff and all the Terms and Conditions listed in this Agreement including any additional conditions listed in Exhibit A.  |
| TERMS AND CONDITIONS:   |
| 1) Shelby Energy Cooperative shall provide the Member net metering services, without charge for standard metering equipment, through a standard kilowatt-hour metering system capable of measuring the flow of electricity in two (2) directions. If the Member requests any additional meter or meters or distribution upgrades are needed to monitor the flow in each direction, such installations shall be at the Member's expense. |
| DATE OF ISSUE April 6, 2009 DATE EFFECTIVE BAJGI & ENOUGE COMMISSION  |
| OF KENTUCKY ISSUED BY Julius Master TITLE President & Chief Executive Officer 4/8/2009  |
| Issued by authority of an Order of the Public Service Commission of Kentucky in SECTION 9 (1)  Case No. 2008-00169 Dated January 8, 2009  |
| By W Dew Executive Director   |
|   |

- 2) The Member shall install, operate, and maintain, at the Member's sole cost and expense, any control, protective, or other equipment on the Member's system required by Shelby Energy Cooperative's technical interconnection requirements based on IEEE 1547, the NEC, accredited testing laboratories such as Underwriters Laboratories, and the manufacturer's suggested practices for safe, efficient and reliable operation of the generating facility in parallel with Shelby Energy Cooperative's electric system. The Member shall bear full responsibility for the installation, maintenance and safe operation of the generating facility. Upon reasonable request from Shelby Energy Cooperative, the Member shall demonstrate generating facility compliance.
- 3) The generating facility shall comply with, and the Member shall represent and warrant its compliance with: (a) any applicable safety and power quality standards established by IEEE and accredited testing laboratories such as Underwriters Laboratories; (b) the NEC as may be revised from time to time; (c) Shelby Energy Cooperative's rules, regulations, and Service Regulations as contained in Shelby Energy Cooperative's Retail Electric Tariff as may be revised from time to time with the approval of the Kentucky Public Service Commission (Commission); (d) the rules and regulations of the Commission, as such rules and regulations may be revised from time to time by the Commission; and (e) all other applicable local, state, and federal codes and laws, as the same may be in effect from time to time. Where required by law, the Member shall pass an electrical inspection of the generating facility by a local authority having jurisdiction over the installation.
- 4) Any changes or additions to Shelby Energy Cooperative's system required to accommodate the generating facility shall be considered excess facilities. The Member shall agree to pay Shelby Energy Cooperative for actual costs incurred for all such excess facilities prior to construction.
- 5) The Member shall operate the generating facility in such a manner as not to cause undue fluctuations in voltage, intermittent load characteristics or otherwise interfere with the operation of Shelby 'Energy Cooperative's electric system. At all times when the generating facility is being operated in parallel with Shelby Energy Cooperative's electric system, the Member shall operate the generating facility in such a manner that no adverse impacts will be produced thereby to the service quality rendered by Shelby Energy Cooperative to any

|   |            | PUBLIC SERVICE COMMISSION OF KENTLICKY        |
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| Case No. 2008-00169 Dated January 8, 2009                                       | Commission | By Becutive Director                          |

of its other members or to any electric system interconnected with Shelby Energy Cooperative's electric system. The Member shall agree that the interconnection and operation of the generating facility is secondary to, and shall not interfere with, Shelby Energy Cooperative's ability to meet its primary responsibility of furnishing reasonably adequate service to its members.

- 6) The Member shall be responsible for protecting, at the Member's sole cost and expense, the generating facility from any condition or disturbance on Shelby Energy Cooperative's electric system, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment failures, and lightning or switching surges, except that Shelby Energy Cooperative shall be responsible for repair of damage caused to the generating facility resulting solely from the negligence or willful misconduct on the part of Shelby Energy Cooperative.
- 7) After initial installation, Shelby Energy Cooperative shall have the right to inspect and/or witness commissioning tests, as specified in the Level 1 or Level 2 Application and approval process. Following the initial testing and inspection of the generating facility and upon reasonable advance notice to the Member, Shelby Energy Cooperative shall have access at reasonable times to the generating facility to perform reasonable on-site inspections to verify that the installation, maintenance, and operation of the generating facility comply with the requirements of this tariff.
- 8) For Level 1 and 2 generating facilities, an eligible Member shall furnish and install on the Member's side of the point of common coupling a safety disconnect switch which shall be capable of fully disconnecting the Member's energy generating equipment from Shelby Energy Cooperative's electric service under the full rated conditions of the Member's generating facility. The external disconnect switch (EDS) shall be located adjacent to Shelby Energy Cooperative's meters or the location of the EDS shall be noted by placing a sticker on the meter, and shall be of the visible break type in a metal enclosure which can be secured by a padlock. If the EDS is not located directly adjacent to the meter, the Member shall be responsible for ensuring that the location of the EDS is properly and legibly identified for so long as the generating facility is operational. The disconnect switch shall be accessible to Shelby Energy Cooperative personnel at all times. Shelby Energy Cooperative may waive the requirement for an EDS for a generating facility at its sole

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| Case No. 2008-00169 Dated January 8, 2009                                     | -           | By W Mour   |
|   |             | ∀   Executive Director  |

discretion, and on a case-by-case basis, upon review of the generating facility operating parameters and if permitted under Shelby Energy Cooperative's safety and operating protocols.

- 9) Shelby Energy Cooperative shall have the right and authority at Shelby Energy Cooperative's sole discretion to isolate the generating facility or require the Member to discontinue operation of the generating facility if Shelby Energy Cooperative believes that: (a) continued interconnection and parallel operation of the generating facility with Shelby Energy Cooperative's electric system may create or contribute to a system emergency on either Shelby Energy Cooperative's or the Member's electric system; (b) the generating facility is not in compliance with the requirements of this tariff, and the noncompliance adversely affects the safety, reliability, or power quality of Shelby Energy Cooperative's electric system; or (c) the generating facility interferes with the operation of Shelby Energy Cooperative's electric system. In non-emergency situations, Shelby Energy Cooperative shall give the Member notice of noncompliance including a description of the specific noncompliance condition and allow the Member a reasonable time to cure the noncompliance prior to isolating the generating facilities. In emergency situations, when Shelby Energy Cooperative is unable to immediately isolate or cause the Member to isolate only the generating facility, Shelby Energy Cooperative may isolate the Member's entire facility.
- 10) The Member shall agree that, without the prior written permission from Shelby Energy Cooperative, no changes shall be made to the generating facility as initially approved. Increases in generating facility capacity will require a new "Application for Interconnection and Net Metering" which will be evaluated on the same basis as any other new application. Repair and replacement of existing generating facility components with like components that meet UL 1741 certification requirements for Level 1 facilities and not resulting in increases in generating facility capacity is allowed without approval.
- 11) To the extent permitted by law, the Member shall protect, indemnify, and hold harmless Shelby Energy Cooperative and its directors, officers, employees, agents, representatives and contractors against and from all loss, claims, actions or suits, including costs and attorneys fees, for or on account of any injury or death of persons or damage to property caused by the Member or the Member's employees, agents, representatives and contractors in tampering with, repairing, maintaining, or operating the Member's generating facility or any related equipment or any facilities owned by Shelby Energy

| generating facility or any related equipm             | nent or any 12 | punites owned by bileiby bileigy      |
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| Case No. 2008-00169 Dated January 8, 2009             |                | By Il Moeur                           |
|   |                | #   Executive Director                |

Cooperative except where such injury, death or damage was caused or contributed to by the fault or negligence of the Shelby Energy Cooperative or its employees, agents, representatives, or contractors.

The liability of Shelby Energy Cooperative to the Member for injury to person and property shall be governed by the tariff(s) for the class of service under which the Member is taking service.

- 12) The Member shall maintain general liability insurance coverage (through a standard homeowner's, commercial, or other policy) for both Level 1 and Level 2 generating facilities. The Member shall, upon request, provide Shelby Energy Cooperative with proof of such insurance at the time that application is made for net metering.
- 13) By entering into an Interconnection Agreement, or by inspection, if any, or by non-rejection, or by approval, or in any other way, Shelby Energy Cooperative does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable codes or requirements, or as to any other characteristics, of the generating facility equipment, controls, and protective relays and equipment.
- 14) A Member's generating facility is transferable to other persons or service locations only after notification to the Shelby Energy Cooperative has been made and verification that the installation is in compliance with this tariff. Upon written notification that an approved generating facility is being transferred to another person, member, or location, Shelby Energy Cooperative will verify that the installation is in compliance with this tariff and provide written notification to the member(s) within 20 business days. If the installation is no longer in compliance with this tariff, Shelby Energy Cooperative will notify the Member in writing and list what must be done to place the facility in compliance.
- 15) The Member shall retain any and all Renewable Energy Credits (RECs) that may be generated by their generating facility.

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| Issued by authority of an Order of the Public Service | Commission   | of Kentucky in SECTION 9 (1)                      |
| Case No. 2008-00169 Dated January 8, 2009             |              | 100   |
| ·   |              | By W MARION                                       |
|   |              | Executive Director                                |

COOPERATIVE NAME

#### EFFECTIVE TERM AND TERMINATION RIGHTS

This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) The Member may terminate this Agreement at any time by giving Shelby Energy Cooperative at least sixty (60) days' written notice; (b) Shelby Energy Cooperative may terminate upon failure by the Member to continue ongoing operation of the generating facility; (c) either party may terminate by giving the other party at least thirty (30) days prior written notice that the other party is in default of any of the terms and conditions of the Agreement or the Rules or any rate schedule, tariff, regulation, contract, or policy of Shelby Energy Cooperative, so long as the notice specifies the basis for termination and there is opportunity to cure the default; (d) Shelby Energy Cooperative may terminate by giving the Member at least thirty (30) days notice in the event that there is a material change in an applicable law, regulation or statute affecting this Agreement or which renders the system out of compliance with the new law or statute.

IN WITNESS WHEREOF, the Parties have executed this Agreement, effective as of the date first above written.

**MEMBER** 

| Ву:              |                        | By:  |
|------------------|------------------------|--|
| Printed Name     |                        | Printed Name   |
| Title:           |                        | Title:   |
|                  | ·;                     |  |
|                  |                        |  |
| DATE OF ISSUE Ap | oril 6, 2000           | DATE EFFECTIVE IG SERVING COMMISSION   |
| ISSUED BY        | III: Mais              | TITLE President & Chief Executive Officer c Service Commission of Kennucky in 4/8/2009 C Service Commission of Commis |
| 2000-0011        | Dy Dated January 6, 20 | By By Executive Director   |

# Exhibit A (To be developed by each member system)

Exhibit A will contain additional detailed information about the Generating Facility such as a single line diagram, relay settings, and a description of operation.

When construction of Utility facilities is required, Exhibit A will also contain a description and associated cost.

Exhibit A will also specify requirements for a Utility inspection and witness test and when limited operation for testing or full operation may begin.

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| Issued by authority of an Order of the Public Servic | e Commission | of Kentucky in 47672009<br>PURSUANT TO 807 KAR 5:011 |
| Case No. 2008-00169 Dated January 8, 2009            |              | SECTION 9 (1)  |
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Shelby Energy Cooperative, Inc. Shelbyville, Kentucky

### Touchstone Energy Home Program

#### Purpose

The Touchstone Energy Home Program ("Program") is a conservation program that encourages the sale of more energy-efficient homes. It is based on *Energy Star* standards for homes, a nationally recognized symbol of energy efficiency and quality developed and operated jointly by the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy (DOE).

#### Availability

This program is available in all service territory served by Shelby Energy Cooperative.

#### Eligibility

To qualify as a Touchstone Energy Home under this program, the participating home must be located in the service territory of Shelby Energy Cooperative and meet the *Energy Star* standards by including additional floor, wall and ceiling insulation, double pane windows and an electric heat pump.

#### Rebate

East Kentucky Power Cooperative, Inc. ("EKPC") and Shelby Energy Cooperative will provide an incentive to retail customers to build or purchase a Touchstone Energy home. Shelby Energy Cooperative may elect to offer a rebate of up to \$250 for each participant. EKPC will match the rebate offered by the member system cooperative up to a maximum of \$250, resulting in a maximum rebate of \$500 for each participant. Rebates will be paid to each participant upon written certification that the newly constructed home has met the *Energy Star* standards.

#### **Annual Reports**

Shelby Energy Cooperative, in coordination with East Kentucky Power Cooperative, Inc., will submit annual reports on the Program that contain the number of participants, the annual costs, including the costs of the rebates, and the status of the rebate provision. Shelby Energy, in coordination with EKPC, will file the first report by June 30, 2008, and annually thereafter if the Program is continued beyond 2009.

#### Term

The Touchstone Energy Home Program will remain in effect through 2009. If Shelby Energy Cooperative should decide to continue the entire program beyond 2009, an application for approval from the Kentucky Public Service Commission will be filed, in coordination with EKPC, 6 months prior to the date of continuation.

| DATE OF ISSUE December 10, 2007 DATE EFFECTIVE: Service   | p rondered on and after September 18, 2007                                      |
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| ISSUED BY Delici Master: TITLE President  | en & Bhier ESERVICE COMMISSION  |
| Issued by authority of an Order of the Public Service Commission of F. Case No. 2006-00547 Dated September 18, 2007 | EFFECTIVE<br>entucky in 9/18/2007<br>PURSUANT TO 807 KAR 5:011<br>SECTION 9 (1) |
|   | By Executive Director   |

# COGENERATION AND SMALL POWER PRODUCTION POWER PURCHASE RATE SCHEDULE OVER 100 kW

### AVAILABILITY

Available only to qualified cogeneration or small power production facilities with a design capacity of over 100 kW which have executed a contract with Shelby Energy Cooperative, Inc. and East Kentucky Power Cooperative, Inc. ("EKPC") for the purchase of electric power by EKPC.

#### RATES

The rates set forth below shall be used as the basis for negotiating a final purchase rate with qualifying facilities pursuant to Section 7 of 807 KAR 5:054.

- 1. Capacity
  - a. \$50.36 per kW per year is applicable if cogenerator or small power producer is dispatched by EKPC.
  - b. \$0.005851 per kWh is applicable if cogenerator or small power producer is not dispatched by EKPC. (R)
- 2. Energy A base payment per kWh is listed below for a time-differentiated basis or a non-time differentiated basis for the specified years.
  - a. Time Differentiated Rates:

Case No. 2008-00128 Dated August 20, 2008

| *************************************** | Wi        | nter      | Sun       | <u>mer</u> | ] |
|---|-----------|-----------|-----------|------------|---|
| Year                                    | On-Peak   | Off-Peak  | On-Peak   | Off-Peak   |   |
| 2009                                    | \$0.06185 | \$0.04866 | \$0.05010 | \$0.02755  | ] |
| 2010                                    | \$0.06360 | \$0.04895 | \$0.05801 | \$0.03125  | ] |
| 2011                                    | \$0.06471 | \$0.05037 | \$0.06050 | \$0.03358  | ] |
| 2012                                    | \$0.07310 | \$0.05610 | \$0.06526 | \$0.03541  |   |
| 2013                                    | \$0.06613 | \$0.04911 | \$0.07532 | \$0.04113  | 7 |

| 2010  | ψ0.0001           | 5 1 40.0          |             |      |              |                        | (~)  |
|---|-------------------|-------------------|-------------|------|--------------|------------------------|------|
| b. Non-Ti   | me Differentiated | l Rates:          |             | P    | UBLIC SER    | VICE COMMISS           | SION |
| Year  | 2009              | <u>2010</u>       | <u>2011</u> |      | 2012 _       | KENTUC2013             |      |
| Rate  | \$0.04876         | \$0.05186         | \$0.05361   |      | \$0.05916    | 6/1/200\$0.05847       | (n)  |
|   |                   |                   |             |      | PURSUAN      | T TO 807 KAR 5:01      | 1    |
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| ISSUED BY Wellie Martin TITLE President & CI W More I |                   |                   |             |      |              |                        |      |
| Issued by author                                      | ority of an Order | of the Public Ser | vice Commis | sioi | TOT VEHITICK | cutive Director<br>y ш |      |

The on-peak and off-peak energy rates are applicable during the hours listed below for each season:

Winter (October - April)

On-Peak

7:00 a.m. - 12:00 noon

5:00 p.m. - 10:00 p.m.

Off-Peak

12:00 noon - 5:00 p.m.

10:00 p.m. - 7:00 a.m.

Summer (May - September)

On-Peak

10:00 a.m. - 10:00 p.m.

Off-Peak

10:00 p.m. - 10:00 a.m.

# TERMS AND CONDITIONS

- 1. All power from a Qualifying Facility (QF) will be sold only to EKPC.
- 2. Seller must provide good quality electric power within a reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
- 3. Qualifying Facility (QF) shall provide reasonable protection for EKPC and Shelby Energy Cooperative, Inc.
- 4. Qualifying Facility (QF) shall design, construct, install, own, operate, and maintain the Qualifying Facility in accordance with all applicable codes, laws, regulations, and generally accepted utility practices.
- 5. Qualifying Facility shall reimburse EKPC and Shelby Energy Cooperative, Inc. for all costs incurred as a result of interconnecting with the QF, including operation, maintenance, administration, and billing.

|  | PUBLIC SERVICE COMMISSION<br>OF KENTUCKY<br>EFFECTIVE |
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|  | PURSUANT TO 807 KAR 5:011                             |
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| Issued by authority of an Order of the Public Service Comm | ssit  |
| Case No. 2008-00128 Dated August 20, 2008                  | *   |

Shelby Energy Cooperative, Inc.

- 6. Qualifying Facility shall obtain insurance in the following minimum amounts for each occurrence:
  - a. Public Liability for Bodily Injury \$1,000,000.00
  - b. Property Damage \$500,000.00
- 7. Initial contract term shall be for a minimum of five years.
- 8. Qualifying Facilities proposing to supply as available (non-firm) electric power shall not be entitled to a capacity payment.
- 9. Qualifying cogeneration and small power production facilities must meet the definition set forth in 807 KAR 5:054 to be eligible for this tariff.
- 10. Updated rates will be filed with the Public Service Commission of Kentucky by March 31 of each year.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE 6/1/2009

PURSUANT TO 807 KAR 5:011

DATE OF ISSUE March 31, 2009

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SSUED BY WILL MAN TITLE President &

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

Case No. 2008-00128 Dated August 20, 2008

# COGENERATION AND SMALL POWER PRODUCTION POWER PURCHASE RATE SCHEDULE LESS THAN 100 kW

#### AVAILABILITY

Available only to qualified cogeneration or small power production facilities with a design capacity of less than 100 kW which have executed a contract with Shelby Energy Cooperative, Inc. and East Kentucky Power Cooperative, Inc. ("EKPC") for the purchase of electric power by EKPC.

## RATES

- 1. Capacity
  - (I) a. \$50.36 per kW per year is applicable if cogenerator or small power producer is dispatched by EKPC.
    - (R)
  - b. \$0.005851 per kWh is applicable if cogenerator or small power producer is not dispatched by EKPC.
- 2. Energy A base payment per kWh is listed below for a time-differentiated basis or a nontime differentiated basis for the specified years.
  - a. Time Differentiated Rates:

|      | Wi        | <u>nter</u> | Sun       | nmer      |      |
|------|-----------|-------------|-----------|-----------|------|
| Year | On-Peak   | Off-Peak    | On-Peak   | Off-Peak  |      |
| 2009 | \$0.06185 | \$0.04866   | \$0.05010 | \$0.02755 | (I)  |
| 2010 | \$0.06360 | \$0.04895   | \$0.05801 | \$0.03125 | (1)  |
| 2011 | \$0.06471 | \$0.05037   | \$0.06050 | \$0.03358 | a (I |
| 2012 | \$0.07310 | \$0.05610   | \$0.06526 | \$0.03541 | ) (I |
| 2013 | \$0.06613 | \$0.04911   | \$0.07532 | \$0.04113 | n    |

|  |                   | ·           |             |  |   |
|--|-------------------|-------------|-------------|--|---|
| b. Non-Ti  | me Differentiated | Rates:      |             | PI   | JBLIC SERVICE COMMISSION                |
| Year   | 2009              | <u>2010</u> | <u>2011</u> |  | 2002 KENTUC <u>2013</u>                 |
| Rate   | \$0.04876         | \$0.05186   | \$0.0536    |  | \$0.0591 <del>0</del> FECT \$0.05847 (D |
|  |                   |             |             | 9/1/2009<br>PURSUANT TO 807 KAR 5:011<br>SECTION 9 (1) |   |
| DATE OF ISSUE March 31, 2009 C DATE EFFECT                     |                   |             |             |  | 00                                      |
| ISSUED BY Walter Marton. TITLE President & 63 / 1/10 President |                   |             |             |  |   |

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

Case No. 2008-00128 Dated August 20, 2008

Shelby Energy Cooperative, Inc.

The on-peak and off-peak energy rates are applicable during the hours listed below for each season:

Winter (October - April)

On-Peak 7:00 a.m. - 12:00 noon

5:00 p.m. - 10:00 p.m.

Off-Peak 12:00 noon - 5:00 p.m.

10:00 p.m. - 7:00 a.m.

Summer (May - September)

On-Peak 10:00 a.m. - 10:00 p.m.

Off-Peak 10:00 p.m. - 10:00 a.m.

#### TERMS AND CONDITIONS

- 1. All power from a Qualifying Facility (QF) will be sold only to EKPC.
- 2. Seller must provide good quality electric power within a reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
- 3. Qualifying Facility (QF) shall provide reasonable protection for EKPC and Shelby Energy Cooperative, Inc.
- 4. Qualifying Facility (QF) shall design, construct, install, own, operate, and maintain the Qualifying Facility in accordance with all applicable codes, laws, regulations, and generally accepted utility practices.
- 5. Qualifying Facility shall reimburse EKPC and Shelby Energy Cooperative, Inc. for all costs incurred as a result of interconnecting with the QF, including operation, maintenance, administration, and billing.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
6/1/2009

DATE OF ISSUE March 31, 2009

DATE EFFECTIVE UNITARIAN 2009 S07 KAR 5:011
SECTION 9 (1)

ISSUED BY TITLE President & CI
By By Secutive Director
Case No. 2008-00128 Dated August 20, 2008

- Qualifying Facility shall obtain insurance in the following minimum amounts for each occurrence:
  - a. Public Liability for Bodily Injury \$1,000,000.00
  - b. Property Damage \$500,000.00
- 7. Initial contract term shall be for a minimum of five years.
- 8. Qualifying Facilities proposing to supply as available (non-firm) electric power shall not be entitled to a capacity payment.
- 9. Qualifying cogeneration and small power production facilities must meet the definition set forth in 807 KAR 5:054 to be eligible for this tariff.
- 10. Updated rates will be filed with the Public Service Commission of Kentucky by March 31 of each year.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE 6/1/2009

PURSUANT TO 807 KAR 5:011

DATE OF ISSUE March 31, 2009

DATE EFFECTIVE June \$5.500 (1)

SSUED BY Chile Mary TITLE President

Frecutive Direct

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

Case No. 2008-00128 Dated August 20, 2008

For All Counties Served P.S.C. No. 5 First Revised Sheet No. 96 Canceling PSC No. \_\_\_\_ Original Sheet No. 96

Shelby Energy Cooperative, Inc

#### Section DSM - 3(a)

#### Direct Load Control Program - Residential

#### Purpose

The Direct Load Control Program will encourage the reduction in growth of peak demand, enabling East Kentucky Power Cooperative ("EKPC") to utilize its system more efficiently, manage market purchases, and defer the construction of new generation.

#### Availability

This rate schedule is **not available** to Shelby Energy's members currently served under Rate 10 (Optional Residential, Church and School Service) as these members are currently receiving rate incentives for Shelby Energy's right to control these members' loads at some future date.

The Direct Load Control Program is available to residential customers in the service territory of Shelby Energy Cooperative and will include the control of water heaters, air conditioners and heat pumps, and pool pumps.

Availability may be denied where, in the judgment of Shelby Energy Cooperative installation of the load control equipment is impractical.

### **Eligibility**

To qualify for this Program, the participant must be located in the service territory of Shelby Energy Cooperative and have:

- 40-gallon (minimum) electric water heating units, and/or
- Central air conditioning or heat pump units, and/or
- Pool pumps.

The above appliances may be electrically cycled or interrupted in accordance with the rules of this Tariff.

The participant may either own or rent the residence where the qualifying appliances are located. The residence may be either a single-family structure or a multi-family apartment facility.

The participant is responsible for obtaining the permission of the owner of the rented residence to participate in the load control program. Shelby Energy Cooperative may require that a rental on property agreement be executed between Shelby Energy Cooperative and the owner of the rented residence.

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| •  | 8/1/2009                      |
| DATE OF ISSUE June 30, 2009 DATE   | EFFECTFORIANT AGENT KANON 011 |
| ISSUED BY Dellie Martin TITLE !  | SECTION 9 (1)  resi           |
| Issued by authority of an Order of the Public Service Commission Case No Dated | DEN W Executive Director      |

For All Counties Served P.S.C. No. 5 First Revised Sheet No. 97 Canceling PSC. Original Sheet No. 97

Shelby Energy Cooperative, Inc

# **Program Incentives**

Shelby Energy Cooperative will provide an incentive to the participants in this program for the following appliances.

Water Heaters. Shelby Energy Cooperative will credit the residential power bill of the participant \$10.00 per water heater per year. The participant will receive this credit regardless of whether the water heater is actually controlled.

Air Conditioners and Heat Pumps. Shelby Energy Cooperative will provide an incentive to the participants in this program. The participant may select one of two alternatives. The participant will receive one of these incentives regardless of whether the air conditioner or heat pump is actually controlled during any program month.

<u>Alternative One</u>. Shelby Energy Cooperative will credit the residential power bill of the participant \$20.00 per air conditioner (\$5 per summer months, June, July, August, and September).

<u>Alternative Two</u>. EKPC, on behalf of Shelby Energy Cooperative, will provide and install at no cost one or more digital thermostats as needed for control purposes.

After the initial selection of one of the alternatives, the participant may change to the other alternative subject to the following conditions:

- From bill credits to digital thermostats The change in alternative will be permitted in any month except for the summer months of June through September. In addition, the participant will pay 50 percent of the installed cost of each digital thermostat.
- From digital thermostats to bill credits The change in alternative will be permitted in any month except for the summer months of June through September. In addition, the participant will either reimburse EKPC, through Shelby Energy Cooperative, an amount equal to 50 percent of the original installed cost of each digital thermostat that was initially installed if the participant keeps the thermostat or pay 50 percent of the cost to remove each digital thermostat that was initially installed.
- Only one change in incentive alternatives will be permitted during a 12 month period.

| DATE OF ISSUE June 30, 2009 D.  | ATERPHICAVE VALUE ON MISSION       |
|---|------------------------------------|
| ISSUED BY John Martin TITLE I   | resident & Chief Executive Officer |
| Issued by authority of an Order of the Public Service Commission  Case No Dated | of Kentucky in<br>SECTION 9 (1)    |
|   | By W Diseas                        |
|   | W Executive Director               |

For All Counties Served P.S.C. No. 5 First Revised Sheet No. 98 Canceling PSC. Original Sheet No. 98

Shelby Energy Cooperative, Inc.

<u>Pool Pumps.</u> Shelby Energy Cooperative will credit the residential power bill of the participant \$10.00 per pool pump per year. The participant will receive this credit regardless of whether the pool pump is actually controlled.

When the qualifying appliances are located in rental residences, program incentives will be paid to the participant, regardless of whether the participant owns or rents the residence where the qualifying appliances are located. Nothing contained in this Tariff will prohibit a further disposition of the program incentive between the participant and the owner of a rented residence.

# Time Periods for Direct Load Control Program

Water Heaters. A load control switch will be placed on the water heater and may be electrically interrupted for a maximum time period of four hours.

EKPC will cycle the water heaters only during the hours listed below.

Months
October through April

Hours Applicable for Demand Billing - EST

6:00 a.m. to 12:00 noon 4:00 p.m. to 10:00 p.m. 10:00 a.m. to 10:00 p.m.

May through September

Air Conditioners and Heat Pumps. A load control device (switch or thermostat) will be placed on each central air conditioning unit or heat pump that will allow the operating characteristics of the unit to be modified to reduce demand on the system. Communication to the load control device will be accomplished via AMR, AMI, or paging equipment.

EKPC will control the air conditioning units and heat pumps only during its summer on-peak billing hours listed below.

Months
May through September

Hours Applicable for Demand Billing - EST 10:00 a.m. to 10:00 p.m.

| Pool Pumps. A load control switch will be placed on th       | e pool pump and may be controlled for a    |
|--|--|
| four hour curtailment during on peak days May through        | September. In addition, there may be a     |
| 50 percent cycling for the ensuing 2 hour recovery perio     | OF KENTUCKY                                |
| DATE OF ISSUE June 30, 2009                                  | DATE EFFECTIVE: August 1, 2009<br>8/1/2009 |
| ISSUED BY Juliu Wanter TIT                                   | LE President & Chief Executive Officer 011 |
| Issued by authority of an Order of the Public Service Commis | ssion of K                                 |
| Case No Dated  | By W Maeur                                 |
|  | / I) Executive Director                    |

# Terms and Conditions

- 1. Prior to the installation of load control devices, Shelby Energy Cooperative may inspect the participant's electrical equipment to insure good repair and working condition, but Shelby Energy Cooperative shall not be responsible for the repair or maintenance of the electrical equipment.
- 2. EKPC, on behalf of Shelby Energy Cooperative, will install, own, and maintain the load management devices controlling the participant's air conditioner, heat pump, or water heater. The participant must allow Shelby Energy Cooperative, or their representative, reasonable access to install, maintain, inspect, test and remove load control devices. Inability of Shelby Energy Cooperative to gain access to the load management device to perform any of the above activities for a period exceeding 30 days may, at Shelby Energy Cooperative's option, result in discontinuance of credits under this tariff until such time as Shelby Energy Cooperative is able to gain the required access.
- 3. Participants may join the program at any time during the year. Participants with water heaters and/or pool pumps will receive the first annual incentive within 12 months after the installation of the load control device. Participants with air conditioning or heat pump units who join during the months of June through September can select an incentive alternative as described in this Tariff. If the bill credit incentive is selected, bill credits will not begin until after the installation of the load control device and continue for the months remaining in the June to September time period for that year.
- 4. If a participant decides to withdraw from the program or change incentive alternatives, Shelby Energy Cooperative will endeavor to implement the change as soon as possible.
- 5. If a participant decides to withdraw from the program, the participant may not apply to rejoin the program for a period of 6 months. Returning participants for air conditioning and heat pump units will be required to initially select the bill credit alternative, but may change alternatives later as described in this Tariff.

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|  | OF KENTUCKY                        |
| ISSUED BY I Select Martin TITLE H                                | resident & Chief Executive Officer |
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|  | By Ill MARION                      |
|  | **Executive Director               |
|  | •                                  |

#### Section DSM - 3(b)

#### Direct Load Control Program - Commercial

#### Purpose

The Direct Load Control Program will encourage the reduction in growth of peak demand, enabling East Kentucky Power Cooperative ("EKPC") to utilize its system more efficiently, manage market purchases, and defer the construction of new generation.

#### **Availability**

This rate schedule is **not available** to Shelby Energy's members currently served under Rate 13 (Optional Residential, Church and School Service) as these members are currently receiving rate incentives for Shelby Energy's right to control these members' loads at some future date.

The Direct Load Control Program is available to commercial customers in the service territory of Shelby Energy Cooperative and will include the control of air conditioners and water heaters.

Availability may be denied where, in the judgment of Shelby Energy Cooperative, installation of the load control equipment is impractical.

# **Eligibility**

To qualify for this Program, the participant must be located in the service territory of a Shelby Energy Cooperative and have a central air conditioning unit and/or a 40-gallon (minimum) electric water heating unit. The appliance may be electrically cycled or interrupted in accordance with the rules of this Tariff.

The participant is responsible for obtaining the permission of the commercial property owner to participate in the load control program. Shelby Energy Cooperative may require that a rental property agreement be executed between Shelby Energy Cooperative and the owner of the rented commercial property.

#### **Program Incentives**

| Shelby Energy Cooperative will provide an incentive to the following appliances.                      | participants in this program for the<br>OF KENTUCKY<br>EFFECTIVE<br>8/1/2009 |
|---|--|
| DATE OF ISSUE June 30, 2009 D   | ATE EFFERSITANT TANGOST KARO 690 11  |
| ISSUED BYTITLE I<br>Issued by authority of an Order of the Public Service Commission<br>Case No Dated | SECTION 9 (1)  e Officer  oBly Executive Director                            |

<u>Air Conditioners.</u> The incentive will be based on the tonnage of the air conditioning unit. Units up to and including five tons will receive a monthly credit of \$5.00 per unit. Units over five tons will receive an additional monthly credit of \$1.00 per ton per unit. Shelby Energy Cooperative will credit the commercial power bill of the participant the applicable incentive credit during the months of June through September. The participant will receive the incentive regardless of whether the air conditioner is actually controlled during any program month.

<u>Water Heaters.</u> Shelby Energy Cooperative will credit the commercial power bill of the participant \$10.00 per water heater per year. The participant will receive this credit regardless of whether the water heater is actually controlled.

## Time Period for Direct Load Control Program

Air Conditioners. A load control device will be placed on each central air conditioning unit that will allow the operating characteristics of the unit to be modified to reduce demand on the system. Communication to the load control device will be accomplished via AMR, AMI, or paging equipment.

EKPC will control the air conditioning units only during its summer on-peak billing hours listed below:

Months
May through September

Hours Applicable for Demand Billing - EST 10:00 a.m. to 10:00 p.m.

<u>Water Heaters</u>. A load control switch will be placed on the water heater and may be electrically interrupted for a maximum time period of four hours.

EKPC will cycle the water heaters only during the hours listed below.

<u>Months</u> October through April

May through September

Hours Applicable for Demand Billing - EST

6:00 a.m. to 12:00 noon 4:00 p.m. to 10:00 p.m. 10:00 p.m.

| DATE OF ISSUE June 30, 2009                                      | PATE EFFECTIVE: August 1, 2009           |
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| Issued by authority of an Order of the Public Service Commission | OF KENTUCKY of Kentucky in EFFECTIVE     |
| Case No Dated  | 8/1/2009                                 |
|  | PURSUANT TO 807 KAR 5:011                |

By W Recutive Director

SECTION 9 (1)

#### Terms and Conditions

- 1. Prior to the installation of load control devices, Shelby Energy Cooperative may inspect the participant's electrical equipment to insure good repair and working condition, but Shelby Energy Cooperative shall not be responsible for the repair or maintenance of the electrical equipment.
- 2. EKPC, on behalf of Shelby Energy Cooperative, will install, own, and maintain the load management devices controlling the participant's air conditioner unit or water heater. The participant must allow Shelby Energy Cooperative, or their representative, reasonable access to install, maintain, inspect, test and remove load control devices. Inability of Shelby Energy Cooperative to gain access to the load management device to perform any of the above activities for a period exceeding 30 days may, at Shelby Energy Cooperative's option, result in discontinuance of credits under this tariff until such time as Shelby Energy Cooperative is able to gain the required access.
- 3. Participants may join the program at any time during the year. Participants with air conditioning who join during the months of June through September will receive bill credits beginning after the installation of the load control device and continuing for the months remaining in the June to September time period for that year. Participants with water heaters will receive the first annual incentive within 12 months after the installation of the load control device.
- 4. If a participant decides to withdraw from the program, Shelby Energy Cooperative will endeavor to implement the withdrawal as soon as possible. If a participant decides to withdraw from the program, the participant may not apply to rejoin the program for a period of 6 months.

| DATE OF ISSUE June 30, 2009 D.  | ATFUBERC SERVALE & DRAWSSION                                      |
|---|---|
| ISSUED BY Julius Martine TITLE P  | OF KENTUCKY<br>resident & Chief Hypecutive Officer                |
| Issued by authority of an Order of the Public Service Commission of Case No Dated | 8/1/2009<br>of Kentpekty Stuant TO 807 KAR 5:011<br>SECTION 9 (1) |
|   | By W Dewr<br>Executive Director                                   |

All Territory Served
Community, Town or City FOR

P.S.C. No.

103

Original Sheet No.

Shelby Energy Cooperative, Inc. Shelbyville, KY

Name of Issuing Corporation

| CLASSIFICATION OF SERVICE   |                  |  |
|---|------------------|--|
| GENERAL SERVICE - RATE 11   | Rate<br>Per Unit |  |
| <u>AVAILABILITY</u>   |                  |  |
| Available for commercial, small power and non-residential purposes for single phase and three phase loads below 50 kW, subject to the established Rules and Regulations.  | •                |  |
| TYPE OF SERVICE:  |                  |  |
| Single phase and three phase, 60 Hertz, at available secondary voltage.   |                  |  |
| MONTHLY RATE:   | (N)              |  |
| Consumer Facility Charge: Single Phase Service \$ 12. Three Phase Service \$ 32.  | .52<br>.56       |  |
| Energy Charge per kWh: \$0.093  | 808              |  |
| MINIMUM MONTHLY CHARGE:   |                  |  |
| The minimum monthly charge under this schedule shall be the consumer facility charge. Where it is necessary to extend or reinforce existing facilities, the minimum charge may be increased to assure adequate compensation for added facilities. |                  |  |
| TERMS OF PAYMENT:   |                  |  |
| The above rates are net; the gross rates are 10% higher. In the event the current monthly is not paid by the due date as shown on the bill, the gross rate shall apply.   |                  |  |

| DATE OF ISSUE | December 31, 2009 | DATE EFFECTIVE; | February 1, 2010 |  |
|---------------|-------------------|-----------------|------------------|--|
| ISSUED BY     |                   | TITLE:          | President & CEO  |  |
|               | Name of Officer   |                 |                  |  |

FOR All Territory Served

Community, Town or City

P.S.C. No. 5

Original Sheet No. 104

| Shelby Energy Cooperative, Inc. |
|---------------------------------|
| Shelbyville, KY                 |

Name of Issuing Corporation

| CLASSIFICATION OF SERVICE  |                  |
|--|------------------|
| GENERAL SERVICE - RATE 11  | Rate<br>Per Unit |
| 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 807 KAR 5:056.  SPECIAL RULES;   | (N)              |
| Motors having a rated capacity in excess of ten horsepower (10HP) must be three-phase. Motors in excess of five horsepower (5HP) shall be provided with compensating starting equipment acceptable to the Seller.  TEMPORARY SERVICE:  Consumers requiring temporary service under this rate may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover the estimated consumption of electricity. Both fees will be paid in advance. |                  |
| DATE OF ISSUE December 31, 2009 DATE EFFECTIVE; February 1,  | 2010             |

| DATE OF ISSUE | December 31, 2009 | DATE EFFECTIVE; | February 1, 2010 |  |
|---------------|-------------------|-----------------|------------------|--|
| ISSUED BY     | Name of Officer   | TITLE:          | President & CEO  |  |

FOR All Territory Served

Community, Town or City

P.S.C. No. 5

Original Sheet No.

105

Shelby Energy Cooperative, Inc. Shelbyville, KY

Name of Issuing Corporation

| Rate<br>Per Unit |
|------------------|
|                  |
|                  |
| (N)              |
|                  |
|                  |
|                  |
|                  |
|                  |
|                  |
|                  |
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| DATE OF ISSUE | December 31, 2009 | DATE EFFECTIVE; | February 1, 2010 |
|---------------|-------------------|-----------------|------------------|
| ISSUED BY     |                   | TITLE:          | President & CEO  |
|               | Name of Officer   | _               |                  |

FOR

All Territory Served
Community, Town or City

P.S.C. No.

106

Original Sheet No.

Shelby Energy Cooperative, Inc.
Shelbyville, KY

Name of Issuing Corporation

| CLASSIFICATION OF SERVICE  |                  |  |
|--|------------------|--|
| RESIDENTIAL SERVICE - RATE 12  | Rate<br>Per Unit |  |
| FUEL ADJUSTMENT CLAUSE:  |                  |  |
| 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 807 KAR 5:056. | (N)              |  |
| SPECIAL RULES;   |                  |  |
| Motors having a rated capacity in excess of ten horsepower (10HP) must be three-phase. Motors in excess of five horsepower (5HP) shall be provided with compensating starting equipment acceptable to the Seller.  |                  |  |
| TEMPORARY SERVICE:   |                  |  |
| Consumers requiring temporary service under this rate may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover the estimated consumption of electricity. Both fees will be paid in advance.  |                  |  |
|  |                  |  |
|  |                  |  |
|  |                  |  |

| DATE OF ISSUE | December 31, 2009 | DATE EFFECTIVE; | February 1, 2010 |  |
|---------------|-------------------|-----------------|------------------|--|
| ISSUED BY     |                   | TITLE:          | President & CEO  |  |
|               | Name of Officer   |                 |                  |  |

#### **Official Notice**

Shelby Energy Cooperative, Inc., with its principal office at Shelbyville, Kentucky, and with its address as 620 Old Finchville Road, Shelbyville, Kentucky 40065, intends to file with the Kentucky Public Service Commission in Case No. 2009-00410 an application to adjust its retail rates and charges. This Adjustment will result in a general rate increase to the member-consumers of Shelby Energy Cooperative, Inc.

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

Any corporation, association, body politic, or person may by motion within thirty (30) days after publication or mailing of notice of the proposed rate changes request leave to intervene. The motion shall be submitted to the Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602, and shall set forth the grounds for the request including the status and interest of the party. Any person who has been granted intervention by the Commission may obtain copies of the rate application and any other filings made by the utility by contacting Debbie Martin, Shelby Energy Cooperative, Inc., 620 Old Finchville Road, Shelbyville, Kentucky 40065, phone 502-633-4420.

Any person may examine the rate application and any other filings made by the utility at the office of Shelby Energy Cooperative, Inc. or at the Commission's office.

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

Kentucky Public Service Commission 211 Sower Boulevard Frankfort, Kentucky 40602 502-564-3940

The amount and percent of increase are listed below:

|  | <u>Increase</u> |                |
|--|-----------------|----------------|
| Rate Class                                       | <u>Dollar</u>   | <u>Percent</u> |
| Residential - Rate 12 (formerly Rate 1 & 10)     | \$2,332,219     | 12%            |
| General Service - Rate 11 (formerly Rate 1 & 10) | \$219,462       | 10%            |
| Large Power Service - Rate 2                     | \$221           | 0%             |
| Outdoor and Street Lighting - Rate 3             | \$77,662        | 18%            |

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

|  | <u>Increase</u> |                |
|--|-----------------|----------------|
| Rate Class                                       | <u>Dollar</u>   | <u>Percent</u> |
| Residential - Rate 12 (formerly Rate 1 & 10)     | \$16            | 12%            |
| General Service - Rate 11 (formerly Rate 1 & 10) | \$6             | 10%            |

The present and proposed rate structures are listed below:

| ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,        | Rates          |                |
|--|----------------|----------------|
| Rate Class                                     | Present        | Proposed       |
| Residential - Rate 12 (formerly Rate 1 & 10)   |                |                |
| Consumer facility charge (Rate 1)              | \$7.92         | \$9.75         |
| Consumer facility charge (Rate 10)             | \$12.52        | \$9.75         |
| Energy charge per kwh                          | \$0.079340     | \$0.093080     |
| Energy charge per kwh (Rate 1)                 |                |                |
| First 600 kwh                                  | \$0.091930     | -              |
| Next 1,400 kwh                                 | \$0.089990     | -              |
| All over 2,000 kwh                             | \$0.088540     | -              |
| Energy charge per ETS                          | \$0.053120     | \$0.065190     |
| General Power - Rate 11 (formerly Rate 1 & 10) |                |                |
| Consumer facility charge (Rate 1)              | \$7.92         | \$12.52        |
| Consumer facility charge (Rate 10)             | \$12.52        | \$12.52        |
| Consumer facility charge - Three phase         | \$32.56        | \$32.56        |
| Energy charge per kwh                          | \$0.079340     | \$0.093080     |
| Energy charge per kwh (Rate 1)                 |                |                |
| First 600 kwh                                  | \$0.091930     |                |
| Next 1,400 kwh                                 | \$0.089990     | _              |
| All over 2,000 kwh                             | \$0.088540     | -              |
| Large Power Service - Rate 2                   |                |                |
| Consumer facility charge                       | -              | \$50.15        |
| Demand charge per kw                           | \$4.97         | \$4.97         |
| Energy charge per kwh                          | ****           | \$0.068230     |
| Energy charge per kwh                          |                |                |
| First 100 kwh per kw                           | \$0.076760     | _              |
| Next 100 kwh per kw                            | \$0.070610     | -              |
| All over 200 kwh per kw                        | \$0.064480     | =              |
| Outdoor and Street Lighting - Rate 3           |                | 40.04          |
| 100 Watt HPS Security Light                    | \$7.86         | \$9.31         |
| 100 Watt Decorative Colonial Light             | \$10.50        | \$12.44        |
| 400 Watt Directional Flood Light               | \$16.43        | \$19.46        |
| 250 Watt Directional Flood Light               | \$11.73        | \$13.90        |
| 150 Watt Decorative Acorn                      | \$12.61        | \$14.94        |
| Cable Television Attachments                   | ***            | <b>0</b> 5.40  |
| 2 party Pole Attachments                       | \$1.95         | \$5.42         |
| 2 party Anchor Attachments                     | \$1.59         | \$7.02         |
| 2 party Ground Attachments                     | \$0.44         | \$0.24         |
| 3 party Pole Attachments                       | \$1.68         | \$4.60         |
| 3 party Anchor Attachments                     | \$1.06         | \$4.63         |
| 3 party Ground Attachments                     | \$0.27         | \$0.15         |
| Nonrecurring charges                           | <b>*</b> 40.00 | <b>#0</b> F 00 |
| Return check                                   | \$10.00        | \$25.00        |
| Collection                                     | \$25.00        | \$30.00        |
| Reconnect for disconnect                       | \$25.00        | \$35.00        |
| Meter Test                                     | \$25.00        | \$32.50        |
| Overtime                                       | \$75.00        | \$75.00        |



October 8, 2009

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OCT 1 3 2009

PUBLIC SERVICE

COMMISSION

Jeff Derouen, Executive Director Kentucky Public Service Commission 211 Sower Boulevard Frankfort, Kentucky 40602

Case No: 2009-00410

Dear Mr. Derouen:

This is to advise, in accordance with the Commission's Administrative Regulation 807 KAR 5:001, Section 11(2), that after 30 days from October 8, 2009, Shelby Energy Cooperative, Inc. intends to file an application for an increase in its retail rates based on a historical test year ending July 31, 2009.

If there are any questions concerning this matter, please contact me at your convenience.

Respectfully submitted,

Debbie Martin, President & CEO

Copy to:

Attorney General Utility Intervention and Rate Division 1024 Capital Center Drive Frankfort, Kentucky 40601 Steven L. Beshear Governor

Debbie Martin

Leonard K. Peters Secretary Energy and Environment Cabinet



Commonwealth of Kentucky
Public Service Commission

211 Sower Blvd. P.O. Box 615 Frankfort, Kentucky 40602-0615 Telephone: (502) 564-3940 Fax: (502) 564-3460 psc.ky gov

October 12, 2009

David L. Armstrong Chairman

> James Gardner Vice Chairman

Charles R. Borders
Commissioner

RE: Case No 2009-00410

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

Shelby Energy Cooperative, Inc.

(General Rates)

Notice of Intent to File Application for an Increase in Retail Rates Based on Historical This letter is to acknowledge receipt of notice of intent to file an application in the above case. The notice was date-stamped received October 12, 2009 and has been assigned Case No 2009-00410. In all future correspondence or filings in connection with this case, please reference the above case number.

If you need further assistance, please contact my staff at (502) 564-3940.

Sincerely,

Jeff Derouen

**Executive Director** 





### SHELBY ENERGY COOPERATIVE, INC.

#### **Board Resolution**

# AUTHORIZATION TO THE PRESIDENT & CEO TO FILE FOR A RATE INCREASE WITH THE KENTUCKY PUBLIC SERIVCE COMMISSION

WHEREAS, to provide its members with a reliable source of power it is the opinion of the Board of Directors of Shelby Energy Cooperative, Inc. that a rate increase is necessary to maintain Shelby Energy Cooperative, Inc. in a sound financial condition, and

WHEREAS, the Board of Directors of Shelby Energy Cooperative, Inc. hereby authorizes and directs its' President & CEO, Debbie Martin, to file with the Kentucky Public Service Commission for a rate increase.

**NOW, THEREFORE BE IT RESLOVED**, that this resolution was properly authorized by the Board of Directors during a monthly Board of Directors meeting held on December 17, 2009.

I, Roger Taylor Secretary/Treasurer of the Shelby Energy Cooperative, Inc. hereby certify that the foregoing is a full, true, and correct copy of the Resolution duly passed by the Board of Directors of Shelby Energy Cooperative, Inc. at a meeting duly called and held in compliance with the By-Laws of the Cooperative on the 17th day of December, 2009, at which meeting a quorum was present, and that the Resolution as set out above appears in the minutes of that meeting in the Minutes Book of the Cooperative dated this 17<sup>th</sup> day of December, 2009.

ROĞER TAYLOR, SECRETAKY / TREASURER

2

29 30 Exhibit <u>G</u>
Page <u>/</u> of <u>B</u>
Witness: Jim Adkins

| 4<br>5<br>6<br>7<br>8                             | Rate<br><u>Schedule</u>   | Kwh<br><u>Useage</u>   | Test Year<br><u>Revenue</u>  | Percent<br>of<br><u>Total</u> | Normalized<br>Case No.<br>2008-0536  | Percent<br>of<br><u>Total</u>                   | Proposed<br>Revenue  | Percent<br>of<br><u>Total</u>                   | <u>Increase</u><br><u>Amount</u>   | Percent   |
|---|---|--|--|-------------------------------|--------------------------------------|---|--|---|--|---|
| 9<br>10<br>11<br>12<br>13<br>14<br>15<br>16<br>17 | Rate 1, General Service Rate 2, Large Power Service Rate 3, Outdoor and Street Lighting Off Peak Marketing Rate (ETS) Rate 10, Optional Residential, Chur- Schedule B1, Large Industrial Rate Schedule B2, Large Industrial Rate Envirowatts Rounding differences | 104,466,460<br>37,492,120<br>2,305,054<br>477,208<br>139,076,969<br>118,062,866<br>36,694,268<br>123,800 | \$8,754,199<br>2,682,522<br>376,795<br>21,006<br>10,054,585<br>6,745,999<br>1,911,700<br>3,497 | 9%<br>1%<br>0%<br>33%<br>22%  | 12,055,527<br>8,232,136<br>2,381,732 | 28%<br>9%<br>1%<br>0%<br>33%<br>22%<br>7%<br>0% | \$10,807,653<br>3,162,758<br>498,508<br>31,109<br>13,745,983<br>8,232,136<br>2,381,732<br>3,497<br>(1,018) | 28%<br>8%<br>1%<br>0%<br>35%<br>21%<br>6%<br>0% | \$495,116<br>221<br>77,662<br>5,760<br>1,690,456<br>0<br>0<br>0<br>(1,018) | 4.8%<br>0.0%<br>18.5%<br>22.7%<br>14.0%<br>0.0%<br>0.0% |
| 19<br>20<br>21<br>22<br>23<br>24                  | Total from base rates  Fuel adjustment billed Environmental surcharge billed  | 438,698,745  | 30,550,303<br>3,875,174<br>2,112,848<br>\$36,538,325   | <u>-</u>                      | \$36,594,161                         | 100%  | \$38,862,358   | 100% _  | \$2,268,197  | 6.2%  |
| 25<br>26<br>27<br>28                              | Increase  | •  |  | _                             | \$6,043,858<br>19.78%                |   | <u>\$2,268,197</u><br>6.20%  |   |  |   |

Exhibit G Page 2 of 2 Witness: Jim Adkins

### Shelby Energy Cooperative Case No. 2009-00410 Explanation of Changes

All revenues were normalized using rates that went into effect in connection with rolling in the fuel adjustment to the base rates, in Case No. 2008-00536, effective July 2009.

The proposed rate increase was allocated in the following manner:

Rate 12 – Residential The consumer facility charge was increased for Rate 1 and decreased for Rate 10 based on the Cost of Service Study ("COSS"), included as Exhibit R of the Application. The step rates were eliminated. The remaining increase in this rate schedule was in the energy charge. Residential consumers were included in both Rate 1 and Rate 10, these have been separated so that Rate 12 only contains residential consumers.

Schedule ETS – Time of Use Marketing The energy charge was determined based on the COSS.

Rate 11 – General Service The consumer facility charge was increased for Rate 1 and remained the same for Rate 10 based on the Cost of Service Study ("COSS"), included as Exhibit R of the Application. The step rates were eliminated. The remaining increase in this rate schedule was in the energy charge. Non residential consumers were included in both Rate 1 and Rate 10, these have been separated so that Rate 11 only contains non residential consumers.

Rate 2 – Large Power Service The consumer facility charge was incorporated based on the COSS. The step rates were eliminated. The energy charge was determined to make the rate class revenue neutral. Any amount of increase/decrease is due to rounding only.

Rate 3 - Outdoor and Street Lighting These increases were based on the COSS.

### COMMONWEALTH OF KENTUCKY

#### BEFORE THE PUBLIC SERVICE COMMISSION

## IN THE MATTER OF ADJUSTMENT OF RATES OF SHELBY ENERGY COOPERATIVE, INC.

CASE NO. 2009-00410

### PREPARED TESTIMONY OF DEBBIE MARTIN

- Q1. Would you please state your name and business address.
- A1. Debbie Martin, with a business address of 620 Old Finchville Road, Shelbyville, Kentucky 40065.
- Q2. What is your occupation?
- A2. President & CEO for Shelby Energy Cooperative, Inc. ("Shelby Energy").
- Q3. How long have you been employed at Shelby Energy?
- A3. I was employed in May 1989 as a Customer Service Representative, promoted to Manager of Office Services in January 2000 then promoted to the position of President & CEO in January 2007.
- Q4. What is your education and work experience?
- A4. I graduated from McKendree College in 1993 with a Bachelor of Science degree in business administration.
- Q5. Are you familiar with the contents of the Notice Application of Shelby Energy which has been filed with this Commission to commence this Case?
- A5. Yes,
- Q6. Please state whether the statements of facts contained in this Notice are true.
- A6. Yes. To the best of my knowledge and belief, the statements of facts contained in this Application are true.

- Q7. Are you familiar with the exhibits which are filed with and form a part of the Notice Application of this Case?
- A7. Yes. I worked with Jim Adkins, Consultant, in the preparation of these exhibits, and I am familiar with them. In my opinion, the factual material contained in this Application are correct.
- Q8. When was the last General Rate Application filed by Shelby Energy?
- A8. The last General Rate Application filed by Shelby Energy was in 1983.
- Q9. What is the purpose of this Notice of Application of Shelby Energy to this Commission?
- A9. To seek an increase in rtes in an amount necessary to obtain a Times Interest Earned Ratio ("TIER") of 2.0.
- Q10. What considerations were given to increase the rates and charges of Shelby Energy.
- A10. The purpose of this Application is to provide support the fact that Shelby Energy needs the requested rate relief that is being sought in this rate application. Shelby Energy has filed this application due to its need to meet certain financial ratios as required by its mortgage agreements with its lenders: the Rural Utilities Service ("RUS") and the National Rural Utilities Cooperative Finance Corporation ("CFC"). According to those mortgage agreements, Shelby Energy is required to maintain a Net TIER of 1.25 and an Operating TIER of 1.1. In addition, this application is necessary for Shelby Energy to continue to pay capital credits and maintain adequate equity and cash reserves.
- Q11. What is the Test Year used by Shelby Energy for its financial data compiled to the Commission in the Application?
- A11. The twelve months ended July 31, 2009 was selected as the Test Year. The management and Board of Directors of Shelby Energy review the operations and TIER on a monthly basis. Noting the steady decline in margins and TIER, the Board of Directors authorized an Application to be prepared to increase rates and charges sufficient to obtain a TIER of 2.0.
- Q12. How was the proposed increase in revenues of \$2,262,336 allocated to rates?
- A12. Shelby Energy and Jim Adkins have prepared a Cost of Service Study and based its rate design on this study.

Q13. Why was a TIER of 2.0x requested?

A13. The financial condition of Shelby Energy Cooperative, Inc. has deteriorated substantially since 2005. In order to continue to meet debt service obligations, operating costs and maintain the minimum joint mortgage agreement requirements, it was necessary to request a TIER of 2.0 in this Application.

Q14. In your opinion, are the adjusted rates requested in this Case by Shelby Energy Cooperative, Inc. necessary to maintain the financial integrity of the Cooperative?

A14. Yes. To enable Shelby Energy to maintain its financial integrity, it is necessary that it be permitted to increase its rates as proposed in this Application.

Q15. Does this conclude your testimony in this case?

A15. Yes, it does.

Affiant, Debbie Martin, states that the answers given by her to the foregoing questions are true and correct to the best of her knowledge and belief.

Debbie Martin, General Manager & CEO

ellie Warten

Subscribed and sworn to before me by the affiant, Debbie Martin, this  $29^{7/3}$  day of December, 2009.

Notary Public, Kentucky State at Large

My Commission expires. 10/2/11.

#### COMMONWEALTH OF KENTUCKY

#### BEFORE THE PUBLIC SERVICE COMMISSION

| IN | THE MA  | TTE | R OF  | THE  | ADJUSTMENT | ) |          |            |
|----|---------|-----|-------|------|------------|---|----------|------------|
| OF | RATES   | OF  | SHELE | Y El | NERGY      | ) | CASE NO. | 2009-00410 |
| CO | OPERATI | VE  | CORPO | RAT: | ION        | ) |          |            |

#### PREPARED TESTIMONY OF JAMES R. ADKINS

- Q1. State your name and business address.
- Al. I am James R. Adkins and my business address is 1041 Chasewood Way, Lexington, KY 40513-1731.
- Q2. What has been your role in this application?
- A2. My role in this application has been to determine the revenue requirement needs and amount of additional revenue needed, to complete a cost of service study ("COSS") for Shelby Energy Cooperative ("Shelby") and to provide some alternative rate options that may be appropriate for Clark. Specifically, I am responsible for the development of the revenue requirements for Shelby, the determination of the amount of increase, the completion of the cost of service study, and the construction of the proposed rate design contained in this application.
- Q3. What is your professional experience in the area of electric utility rate-making?

- A3. I have spent the last thirty-two plus years dealing with electric utility rates. I was employed by EKPC as its Pricing Manager for almost twenty-five years. I spent a little over one year with the Prime Group, LLC and I have been self-employed for the last six and one half years. Prior to my electric utility career, I was employed in the finance and accounting areas of the medical care field for close to eight years. I also served in the U.S. Army as an infantryman in the Republic of Vietnam in the late 1960s.
- Q4. What is your educational background?
- A4. I received a Bachelors Degree in Commerce with a major in banking and finance in 1971 and a Masters of Science in Accounting in 1976. Both of my degrees were granted by the University of Kentucky. Since then, I have attended several seminars, conferences and courses on rate-making as well as a presenter at many conferences and seminars of electric utility rate-making, cost of service studies, and rate design.
- Q5. Have you ever appeared as a witness before this Commission?
- A5. I have appeared as a witness before this Commission many times in rate applications, applications for certificates of public convenience and necessity, fuel adjustment clause hearings, and administrative cases. I have testified on the behalf of East Kentucky Power Cooperative ("EKPC") and for all of EKPC's member cooperatives and for other distribution cooperatives.

- Q6. What is the primary reason that Shelby needs an increase in electric rates?
- R6. The primary reason as to why Shelby needs an increase its electric rates is the need for an increase in current margins so that may remain in compliance with its mortgage agreements on Times Interest Earned Ratio ("TIER") of 2.0X and on Operating Times Interest Earned Ration ("OTIER") of 1.10X. Shelby had a TIER of 1.34X and an OTIER of 1.14X for the test year and a TIER and OTIER for the adjusted test year of 0.66X and 0.67X respectively. The actual test year contain G&T Capital Credits ("GTCCs") of \$350,180 which are removed from the Statement of Operations for rate-making purposes.
- Q7. What TIER amount or level is Shelby seeking in this application?
- R7. Shelby is requesting a TIER of 2.0X. With a TIER of 2.0X where margins would then be equal to the interest expense on long term debt.
- Q8. What adjustments to the test year financial statements is Shelby proposing?
- R8. Shelby is proposing the normal test year adjustments to its test year financial statements. It is proposing a total of seventeen (17) adjustments including five (5) revenue adjustments and twelve (12) expense adjustments. Included in these adjustments is the normalization of revenue and purchased power costs for the rates placed into

effect in April due to the increase in the fuel base in the wholesale power rates of EKPC.

- Q9. What is the purpose of the cost of service study in this application?
- A9. The purpose of the cost of service in this rate application is the following:
  - one) it provides the costs to serve each rate class as
     well as the total revenue requirements for each class;
  - two) it provides guidance in the development of the amount of rate increases for each rate class; and
  - three) it provides a breakdown of the cost to serve into segments that are useful for rate design purposes.
- Q10. Please explain the Cost of Service Study ("COSS") filed in this application?
- Alo. The COSS presented in this application follows the standard process of the functionalization of costs, the classification of costs and the allocation of costs to the various rate classes. This COSS has six (6) major sections in it. These sections are listed below:
  - Test year revenue requirements;
  - The functionalization of costs into the appropriate functions of purchased power, lines, transformers, services, meters, consumer services and accounting, and lighting;

- The classification of costs as either demand-related, energy-related or consumer-related;
- The allocation of the classified costs to the individual rate classes;
- The determination of the amount of rate increase for each rate class; and
- The development of the proposed rate design. Each one of these sections will be discussed in its order within Exhibit R.
- Q11. Please explain Schedule 1 in the COSS?
- All. Schedule 1 is the determination of the overall revenue requirements of Shelby Energy presented by each expense account number. It presents the test year actual expenses, the adjustments to the test year, and the adjusted test year. It is presented in a manner that is utilized in the COSS process. As a part of Schedule 1 is a schedule on payroll expenses that has been utilized in the allocation of the test year adjustments to appropriate expenses category. These payroll expenses are also utilized in the functionalization of the test year expenses. The adjusted test year amount provides the total revenue requirements for Shelby Energy.
- Q12. Please explain Schedule 2 of the COSS?
- A12. Schedule 2 is a functionalization of the expenses from Schedule 1 into their appropriate function. Schedule 2 also has a section with footnotes which identifies and explains the basis for how some of the test year expenses

are allocated to the proper function. A section of this schedule also contains the allocation of the Net Investment Rate Base to its proper functions and it is utilized to allocate some of the test year expenses to the functional area. These functional areas are then classified as either demand-related, energy-related or consuer-related in Schedule 3.

- Q13. Would you explain Schedule 3?
- Al3. Schedule 3 is the classification of expenses as being demand-related, energy-related or consumer related.

  Distribution line expenses (poles and conduit) and distribution transformer expenses contain both demand-related expenses and consumer-related expenses.

  Distribution expenses for services, meters, and consumer services and accounting are all considered to be customer-related. Purchased power contains a demand-related component, which are the demand charges, and an energy-related component, which are the energy charges. The metering point and the substation charges are considered to be demand-related.
- Q14. What is the basis for the division of the distribution line expenses and the transformer expenses into a demand-related component and a customer-related component?
- Q14. The basis for the determination of the demand-related and energy related expenses are the use of one of two methods: 1) the minimum size method and 3) the 'Zero-intercept". These methods are applied to data from Shelby's Continuous Property Records ("CPRs") for Accounts

364-Poles, 365-Overhead Conductor, and 368-Transformers. The approach for the zero-intercept method is to determine the no load or no demand component for each account. zero load amount is then utilized as a basis to determine the customer-related investment and its percent of the total investment for the accounts listed above. residual amount and percentage is considered to be demandrelated. For the minimum size method, the cost of the minimum size unit multiplied by the total number of units is utilized to determine the customer component of each investment while the remaining amount is considered demand related. Correspondingly, the expenses associated with these accounts are then proportioned as either demand related or consumer related based on the investment proportions. The minimum size method was used to determine the demand related and consumer related components for accounts 364-poles, and 365-overhead conductor. The zerointercept method was used for account 368-transformers. The percentages for the demand-related component and the customer-related component are then applied to the test year expenses to determine the amount of expenses that are demand-related and customer-related.

#### Q15. Explain Schedule 4?

A15. Schedule 4 is the allocation of the classified expenses to Shelby's electric rate classes. The demand related expenses are allocated on two different bases. The demanded-related purchased power costs are allocated to the appropriate rate classes proportional to the sum of each rate class's contribution to EKPC's monthly billing peak. The distribution demand-related costs for lines and

transformers are allocated proportionally on the basis of the sum of each rate class's monthly peak demand for the test year. The purchased power energy-related costs allocated to the rate classes proportional on retail energy sales for the test period.

The customer-related costs for each customer-related segment are allocated differently. For lines, the allocation is proportional based on number of customers. For transformers, the allocation is proportionally weighted based on the number of consumers and the investment in the minimum size transformer for each rate class. services, it is based on the number of customers and the minimum investment applied to the average length of the service for each rate class. For meters, the number of customers and the minimum size meter is used to allocate these expenses. For consumer services and accounting, the allocation is based on weighting factors on that considers the number of consumers, the billing complexity or billing units per rate class for consumer records. Meter reading is also utilized to differentiate the different types of meter data need from the various rate classes. The number of customers is also a factor in this to determine the proper allocation. Sections of this schedule contain the basis for the allocation of the classified expenses to each rate class.

- 016. What is included in Schedule 5?
- A16. Schedule 5 provides a comparison of the revenue from the current rates for each rate class with costs to serve each rate class from Schedule 4. This comparison will

provide how much increase or decrease each rate class should receive based on the results of the COSS. Also, Schedule 5 provides how Shelby is proposing to spread its overall requested increase among its various rate classes. Shelby is fully cognizant of the original purpose of the rural electrification program and its emphasis upon the rural farms and homes and has attempted to integrate this concept into its proposed increase for each rate class. Based on the results of the cost of service study, the rate classes that should have an increase in rates are these:

- General Service Rate 1
- Outdoor and Street Lighting Service Rate 3, and
- Optional Residential, Church and School Service Rate 10.
- Q17. Are these the rate classes that will receive an increase in their rates?
- A17. These are the rate classes that will receive an increase in their rates.
- Q18. What else is Shelby proposing in regards to rate classes?
- A18. Shelby has two rate classes that contain both residential consumers and non-residential consumers. These rate classes are General Service Rate 1 and Optional Residential, Church and School Service Rate 10. It is Shelby's desire and proposal to have two rate schedules with one for residential consumers and the other for non-residential consumers. The process that has been utilized to accomplish this proposal has been to develop the cost of

service study and the revenue requirements for each on the basis of the current rate class structure. The combined billing units and revenue requirements for Rates 1 and 10 are then utilized to develop the proposed rate structure for the new rate classes. The proposed rate classes are identified as General Service - Rate 11 for the non-residential consumers and Residential Service - Rate 12.

- Q19. What is the proposed rate design for these two new rate classes?
- R19. The proposed rate design for these two new rate classes has been developed with the approach to have a simple and understandable rate design as possible with the potential for providing a variety of rate options in the future to promote energy efficiency. It is believe that a rate structure with a consumer facility charge and an energy charge to be the appropriate rate structure for this approach. Schedule 6 contains the proposed rate design in this application.
- Q20. What is the purpose for Schedule 6?
- A20. Schedule 6 provides the development of the proposed rate design submitted as a part of this application. The results of the COSS have used as a general guide in the development of the proposed rates. The proposed rate design for each rate class is discussed as follows:

  Rate 11 General Service and Rate 12 Residential Service

Shelby is proposing the following rate design for these two new rate classes. The proposed rate design for these two classes is being developed collectively

|                          | Rate 11   | Rate 12   |
|--------------------------|-----------|-----------|
| Consumer Facility Charge |           |           |
| Single Phase             | \$12.52   | \$9.75    |
| Three Phase              | \$32.56   | NA        |
| Energy Charge per kWh    | \$0.09308 | \$0.09308 |

The same energy rate seemed appropriate for both rate classes while some differentiation in the consumer charge seemed appropriate. The investment for the minimum size consumer for the non-residential rate class in Rate 11 is greater and justifies a higher consumer charge for the general service customers. The consumer charges proposed for this rate class are the same as the consumer charges as contained in the current Rate 10 schedule. The proposed consumer charge for Rate 12 has been set at \$9.75 while the consumer charge in the current Rate 1 is \$7.92. This is Shelby's way of broaching the rate-making concepts of gradualism and continuity. A customer charge of \$24.92 (consumer related costs divided by the number of customer charges) is justified based on the cost of service study for either rate class. However, it is not Shelby's desire to request a customer charge at that large amount at this time

### Off-Peak Retail Marketing Rate (ETS):

The rate schedule applies to customers who have ETS units to be charged during off-peak hours. Shelby is proposing to change how the energy rate for this rate class is developed. In the past, the energy rate has been set an amount that is equal to sixty percent (60%) of the lowest step energy rate for Rate 1. This approach worked well when fuel prices were stable. However, with the increased

volatility of fuel prices and fuel adjustment roll-ins by Shelby's wholesale power supplier, the energy rate for this schedule increase by an amount equal to sixty percent of the increase that Shelby received in its wholesale power rates. The result has been that Shelby's gross margin on this rate class has decreased significantly. (Gross margin is rate revenue minus wholesale power costs.) Shelby is proposing that this rate be based on the cost to serve from the COSS and has been computed to be \$0.06519 per kWh. In the future, this rate class would receive a fuel adjustment roll-in amount equal to the increase in energy rates for all other rate classes.

### Rate 2 - Large Power Service

Shelby's cost of service study does not support an increase in the revenue requirements for this rate class and Shelby is not proposing any increase. Shelby is proposing two changes to the rate structure for this rate class. A consumer charge is being proposed this rate class in the amount of \$50.15 and is based on the consumer related revenue requirements from the cost of service study. Additionally, Shelby is proposing to eliminate the kWh per kW energy steps into one simple energy step. This energy step is based on the current revenue generated by the current energy rates. Shelby feels that the proposed rate structure to be simpler but more appropriate than the current one.

### Outdoor and Street Lighting Service - Rate 3

Shelby is proposing to increase each one the current rates for lighting by the same percentage amount based on

the percentage increase in revenue requirements from the cost of service study.

#### All Other Rate Schedules:

Shelby is not proposing any changes to any of the other rate schedules that have not been specifically mentioned above.

Q21. Is Shelby's requested increase, its proposed allocation of the increase to its rate classes and its rate design justified in your opinion?

A21. It is my opinion that the requested increase is completely justified. Shelby sought its last rate increase 1983 which is approximately twenty-six (6) years ago. allocation of the increase provides a reasonable balance between the results of the COSS and the current rate levels and is consistent with current rate-making principles. proposed rate design may contain the least amount of justification of because it does deviate from the COSS much more than the other two areas. It deviates more by not proposing a customer charge closer to the results of the It deviates the most significantly in the customer COSS. charge area for the proposed schedules of General Service -Rate 11 and Residential Service - Rate 12 in the fact that the proposed customer charge leaves approximately \$2,670,000 of customer related costs to be recovered through the energy rate. I also feel that the proposed changes to Large Power Service - Rate 2 to be appropriate ones and make the rate structure simpler and easier to understand.

Q22. Does this conclude your testimony?

A22. This concludes my testimony.

Affiant, James R. Adkins, states that the answers given by him to the foregoing questions are true and correct to the best of his knowledge and belief.

James R. Adkins

Subscribed and sworn to before me by the affiant, James R. Adkins, this 200 day of December, 2009.

Notary Public, Kentucky State at Large

My Commission expires.  $\frac{10/2}{11}$ 

| 1<br>2<br>3 |                   |                |                 | Witnes          | Exhibit I age / of / ss: Jim Adkins |
|-------------|-------------------|----------------|-----------------|-----------------|-------------------------------------|
| 4           |                   | Shelby Ene     | ergy Coopera    | ative, Inc.     |                                     |
| 5           |                   | Case           | No. 2009-00     | )410            |                                     |
| 6           |                   | Average Bill f | or Residentia   | Rate Class      |                                     |
| 7           |                   | Schedul        | e I - Farm and  | Home            |                                     |
| 8           |                   |                |                 |                 |                                     |
| 9           |                   |                | <u>Present</u>  | <u>Proposed</u> |                                     |
| 10          | Consumer facility | / charge       | \$7.92          | \$9.75          |                                     |
| 11          | Energy charge     |                | \$0.08384       | \$0.09308       |                                     |
| 12          |                   |                |                 |                 |                                     |
| 13          |                   | Existing       | Proposed        | Increase        |                                     |
| 14          | <u>kwh Useage</u> | <u>Rate</u>    | <u>Rate</u>     | <u>Amount</u>   | <u>Percent</u>                      |
| 15          |                   |                |                 |                 |                                     |
| 16          | 0                 | \$7.92         | \$9.75          | \$1.83          | 23.1%                               |
| 17          | 100               | 16.30          | 19.06           | 2.75            | 16.9%                               |
| 18          | 200               | 24.69          | 28.37           | 3.68            | 14.9%                               |
| 19          | 300               | 33.07          | 37.67           | 4.60            | 13.9%                               |
| 20          | 400               | 41.46          | 46.98           | 5.53            | 13.3%                               |
| 21          | 500               | 49.84          | 56.29           | 6.45            | 12.9%                               |
| 22          | 600               | 58.22          | 65.60<br>74.04  | 7.37            | 12.7%                               |
| 23          | 700               | 66.61          | 74.91           | 8.30            | 12.5%                               |
| 24          | 800               | 74.99          | 84.21           | 9.22<br>10.15   | 12.3%<br>12.2%                      |
| 25          | 900               | 83.37<br>91.76 | 93.52<br>102.83 | 10.15           | 12.2%                               |
| 26          | 1,000<br>1,100    | 100.14         | 112.14          | 12.00           | 12.1%                               |
| 27          | 1,200             | 108.53         | 121.45          | 12.92           | 11.9%                               |
| 28<br>29    | 1,300             | 116.91         | 130.75          | 13.84           | 11.8%                               |
| 30          | 1,400             | 125.29         | 140.06          | 14.77           | 11.8%                               |
| 31          | 1,500             | 133.68         | 149.37          | 15.69           | 11.7%                               |
| 32          | 1,600             | 142.06         | 158.68          | 16.62           | 11.7%                               |
| 33          | 1,700             | 150.45         | 167.99          | 17.54           | 11.7%                               |
| 34          | 1,800             | 158.83         | 177.29          | 18.46           | 11.6%                               |
| 35          | 1,900             | 167.21         | 186.60          | 19.39           | 11.6%                               |
| 36          | 2,000             | 175.60         | 195.91          | 20.31           | 11.6%                               |
| 37          | 2,100             | 183.98         | 205.22          | 21.24           | 11.5%                               |
| 38          | 2,200             | 192.37         | 214.53          | 22.16           | 11.5%                               |
| 39          | 2,300             | 200.75         | 223.83          | 23.09           | 11.5%                               |
| 40          | 2,400             | 209.13         | 233.14          | 24.01           | 11.5%                               |
| 41          | 2,500             | 217.52         | 242.45          | 24.93           | 11.5%                               |
| 42          | 2,600             | 225.90         | 251.76          | 25.86           | 11.4%                               |
| 43          | The average mo    | -              |                 |                 |                                     |
| 44          | 1,522             | 135.53         | 151.43          | 15.90           | 11.7%                               |

Exhibit \_\_\_\_\_\_ Page \_/\_\_ of \_\_/\_\_\_ Witness: Jim Adkins

| 5<br>6<br>7<br>8<br>9 | Rate<br><u>Schedule</u>              | Kwh<br><u>Useage</u> | Test Year<br><u>Revenue</u> | Percent<br>of<br><u>Total</u> | Normalized<br>Case No.<br>2008-0536 | Percent<br>of<br><u>Total</u> | Proposed<br><u>Revenue</u> | Percent<br>of<br><u>Total</u> | <u>Increas</u><br><u>Amount</u> | e_<br>Percent |
|-----------------------|--------------------------------------|----------------------|-----------------------------|-------------------------------|-------------------------------------|-------------------------------|----------------------------|-------------------------------|---------------------------------|---------------|
| 10                    |                                      | 104,466,460          | \$8,754,199                 | 29%                           | \$10,312,536                        | 28%                           | \$10,807,653               | 28%                           | \$495,116                       | 4.8%          |
| 11                    | Rate 1, General Service              |                      | 2,682,522                   | 9%                            | 3,162,537                           | 9%                            | 3,162,758                  | 8%                            | 221                             | 0.0%          |
| 12                    | Rate 2, Large Power Service          | 37,492,120           |                             | 1%                            | 420,846                             | 1%                            | 498,508                    | 1%                            | 77,662                          | 18.5%         |
| 13                    | Rate 3, Outdoor and Street Lighting  | 2,305,054            | 376,795                     |                               | 25,349                              | 0%                            | 31,109                     | 0%                            | 5,760                           | 22.7%         |
| 14                    | Off Peak Marketing Rate (ETS)        | 477,208              | 21,006                      | 0%                            |                                     | 33%                           | 13,745,983                 | 35%                           | 1,690,456                       | 14.0%         |
| 15                    | Rate 10, Optional Residential, Chur- | 139,076,969          | 10,054,585                  | 33%                           | 12,055,527                          |                               |                            | 21%                           | 0                               | 0.0%          |
| 16                    | Schedule B1, Large Industrial Rate   | 118,062,866          | 6,745,999                   | 22%                           | 8,232,136                           | 22%                           | 8,232,136                  |                               | 0                               | 0.0%          |
| 17                    | Schedule B2, Large Industrial Rate   | 36,694,268           | 1,911,700                   | 6%                            | 2,381,732                           | 7%                            | 2,381,732                  | 6%                            |                                 | 0.0%          |
| 18                    | Envirowatts                          | 123,800              | 3,497                       | 0%                            | 3,497                               | 0%                            | 3,497                      | 0%                            | 0                               |               |
| 19                    | Rounding differences _               |                      |                             |                               |                                     |                               | (1,018)                    |                               | (1,018)                         |               |
| 20<br>21              | Total from base rates                | 438,698,745          | 30,550,303                  | 100%                          | \$36,594,161                        | 100%                          | \$38,862,358               | 100%                          | \$2,268,197                     | 6.2%          |
| 22                    | Fuel adjustment billed               |                      | 3,875,174                   |                               |                                     |                               |                            |                               |                                 |               |
| 23                    | -                                    |                      | 2,112,848                   |                               |                                     |                               |                            |                               |                                 |               |
| 24                    | Environmental surcharge billed       | -                    | \$36,538,325                | -                             |                                     |                               |                            |                               |                                 |               |
| 25                    | l                                    | =                    | +0010001020                 | =                             | \$6,043,858                         |                               | <u>\$2,268,197</u>         |                               |                                 |               |
| 26<br>27              | Increase                             |                      |                             |                               |                                     |                               |                            |                               |                                 |               |
| 28                    |                                      |                      |                             |                               | 19.78%                              |                               | 6.20%                      |                               |                                 |               |

Exhibit J page 2 of 12 Witness:Jim Adkins

### General Service - Rate 1 (Old Rate)

|                              |              | •            |            |                      |           |              |
|------------------------------|--------------|--------------|------------|----------------------|-----------|--------------|
|                              |              | Test         | Norm       | nalized              |           |              |
|                              | Billing      | Year         | Case No. 3 | 2008-00536           | Pro       | posed        |
| Description                  | Determinants | Revenues     | Rates      | Revenues             | Rates     | Revenues     |
| <u>Begoription</u>           |              |              |            |                      |           |              |
| Consumer Facility Charge     |              |              | 47.00      | <b>#</b> E04 600     | \$9.75    | \$654,479    |
| Residential                  | 67,126       | \$505,059    | \$7.92     | \$531,638            | •         | \$429,436    |
| Non Residential              | 34,300       | \$258,074    | \$7.92     | \$271,656            | \$12.52   | \$429,430    |
| Energy charge per kWh        |              |              | #0.00400   | E EQA EQE            |           |              |
| First 600 kwh per month      | 60,094,905   | 4,649,221    | \$0.09193  | 5,524,525            |           |              |
| Next 1,400 kwh per month     | 38,662,383   | 2,918,443    | \$0.08999  | 3,479,228<br>505,490 |           |              |
| All over 2,000 kwh per month | 5,709,172    | 423,402      | \$0.08854  | 505,490              | \$0.09308 | 9,723,738    |
|                              | 104,466,460  |              |            |                      | φυ.υθυυυ  | 5,725,765    |
| Residential                  | 85,962,968   |              |            |                      |           |              |
| Non Residential              | 18,503,492   |              |            |                      | -         |              |
| Total from base rates        |              | 8,754,199    | :          | \$10,312,536         | =         | \$10,807,653 |
| Fuel adjustment              |              | 962,416      |            |                      |           |              |
| Environmental surcharge      |              | 602,457      |            |                      |           |              |
| Total revenues               |              | \$10,319,072 |            |                      |           |              |
| Amount                       |              |              |            | \$1,558,337          |           | \$495,116    |
| Percent                      |              |              |            | 17.8%                |           | 4.8%         |
| Average monthly bill         |              | \$130.41     |            | \$153.63             |           | \$161.01     |
| Amount                       |              |              |            | \$23.22              |           | \$7.38       |
| Percent                      |              |              |            | 17.8%                |           | 4.8%         |

Exhibit J page 3 of 12 Witness:Jim Adkins

## Residential Service - Rate 12 (New Rate)

|   | Test Normalized  Year Case No. 2008-00536 |                           |        | nalized                      | Proposed  |                              |
|---|---|---------------------------|--------|------------------------------|-----------|------------------------------|
|   | Billing                                   | Year                      | Rates  | Revenues                     | Rates     | Revenues                     |
| <u>Description</u>                              | Determinants                              | Revenues  <br>\$1,451,019 | \$7.92 | \$1,161,983                  | \$9.75    | \$1,430,471                  |
| Consumer Facility Charge  Energy charge per kWh | 223,315,783                               | 15,548,201                | var    | 18,722,503                   | \$0.09308 | 20,786,233                   |
| Total from base rates                           |   | \$16,999,220              |        | \$19,884,486                 |           | \$22,216,704                 |
| Amount  |   |                           |        | \$2,885,266<br>17.0%         | ı         | \$2,332,219<br>11.7%         |
| Percent  Average monthly bill  Amount  Percent  |   | \$115.87                  |        | \$135.53<br>\$19.67<br>17.0% | o.        | \$151.43<br>\$15.90<br>11.7% |

Exhibit J page 4 of 12 Witness:Jim Adkins

### General Service - Rate 11 (New Rate)

| Description_   | Billing<br>Determinants | Test<br>Year<br>Revenues     | Normalized Case No. 2008-00536 Rates Revenues |                              | Proposed Rates Revenues       |                              |
|--|-------------------------|------------------------------|---|------------------------------|-------------------------------|------------------------------|
| Consumer Facility Charge Single phase Single phase Three phase | 34,300<br>1,630<br>132  | \$258,074<br>19,373<br>4,079 | \$7.92<br>\$12.52<br>\$32.56                  | \$271,656<br>20,408<br>4,298 | \$12.52<br>\$12.52<br>\$32.56 | \$429,436<br>20,408<br>4,298 |
| Energy charge per kWh  | 20,227,646              | 1,528,038                    | var   | 1,821,107                    | \$0.09308                     | 1,882,789                    |
| Total from base rates  |                         | \$1,809,564                  |   | \$2,117,469                  | :                             | \$2,336,931                  |
| Amount<br>Percent  |                         |                              |   | \$307,905<br>17.0%           |                               | \$219,462<br>10.4%           |
| Average monthly bill Amount Percent                            |                         | \$52.76                      |   | \$61.73<br>\$8.98<br>17.0%   | ,                             | \$68.13<br>\$6.40<br>10.4%   |

Exhibit J page 5 of 12 Witness:Jim Adkins

### Large Power Service - Rate 2

|   | Dilling  | Test<br>Year       | Normalized<br>Case No. 2008-00536 |                                 | Pro       | posed                        |
|---|--|--------------------|-----------------------------------|---------------------------------|-----------|------------------------------|
|   | Billing<br>Determinants  | Revenues           | Rates                             | Revenues                        | Rates     | Revenues                     |
| <u>Description</u>                                | 740  | 1,000              |                                   |                                 | \$50.15   | \$37,111                     |
| Consumer Facility Charge                          | 740  |                    |                                   |                                 |           | 500 222                      |
| Demand charge                                     | 114,555  | 529,245            | \$4.97                            | 569,338                         | \$4.97    | 569,338                      |
| Energy charge per kWh First 100 kwh per kw demand | 10,092,971   | 654,868            | \$0.07676                         | 774,736                         |           |                              |
| Next 100 kwh per kw demand                        | 8,734,781  | 514,143            | \$0.07061                         | 616,763                         |           |                              |
| All over 200 kwh per kw demand                    | 18,664,368<br>37,492,120   | 986,045            | \$0.06448                         | 1,203,478                       | \$0.06823 | 2,558,087                    |
| Discount 5% Rate 32                               | The desired services and the services are the services and the services and the services are the services ar | (1,779)            |                                   | (1,779)                         |           | (1,779)                      |
| Total from base rates                             |  | 2,682,522          |                                   | \$3,162,537                     |           | \$3,162,758                  |
| Fuel adjustment<br>Environmental surcharge        |  | 323,274<br>185,667 |                                   |                                 |           |                              |
| Total revenues                                    |  | \$3,191,464        |                                   |                                 |           |                              |
| Amount  |  |                    |                                   | \$480,015<br>17.9%              |           | \$221<br>0.0%                |
| Percent   |  |                    |                                   |                                 |           | \$4,274.00                   |
| Average monthly bill<br>Amount<br>Percent         |  | \$3,625.03         |                                   | \$4,273.70<br>\$648.67<br>17.9% |           | \$4,274.00<br>\$0.30<br>0.0% |

Exhibit J page 6 of 12 Witness:Jim Adkins

### Off-Peak Retail Marketing Rate (ETS)

|  | Test Normalized Year Case No. 2008-00536 |                | Proposed  |                  |           |                  |
|--|--|----------------|-----------|------------------|-----------|------------------|
| <u>Description</u>                         | Determinants                             | Revenues       | Rates     | Revenues         | Rates     | Revenues         |
| Consumer Facility Charge                   |  |                |           |                  | #0.00F40  | 31,109           |
| Energy charge per kWh                      | 477,208                                  | 21,006         | \$0.05312 | 25,349           | \$0.06519 | 31,108           |
| Total from base rates                      |  | 21,006         |           | \$25,349         | ,         | \$31,109         |
| Fuel adjustment<br>Environmental surcharge |  | 5,099<br>1,573 |           |                  |           |                  |
| Total revenues                             |  | \$27,677       |           |                  |           |                  |
| Amount<br>Percent                          |  |                |           | \$4,343<br>20.7% |           | \$5,760<br>22.7% |

Exhibit J page 7 of 12 Witness:Jim Adkins

## Optional Residential, Church & School Service - Rate 10 (Old Rate)

| Option and   |                          |                                |                               |                                |                              |                                |
|--|--------------------------|--------------------------------|-------------------------------|--------------------------------|------------------------------|--------------------------------|
|  |                          | Test                           |                               | nalized<br>2008-00536          | Pro                          | posed                          |
|  | Billing                  | Year _                         |                               | Revenues                       | Rates                        | Revenues                       |
| <u>Description</u>   | Determinants             | Revenues                       | Rates                         | Revenues                       | ratee                        |                                |
| Consumer Facility Charge  1. Single Phase Service Residential  1. Single Phase Svc Non Residential  2. Three Phase Service | 79,589<br>1,630<br>132   | \$945,960<br>\$19,373<br>4,079 | \$12.52<br>\$12.52<br>\$32.56 | \$996,454<br>\$20,408<br>4,298 | \$9.75<br>\$12.52<br>\$32.56 | \$775,993<br>\$20,408<br>4,298 |
| Energy charge  | 139,076,969              | 9,085,173                      | \$0.07934                     | 11,034,367                     | \$0.09308                    | 12,945,284                     |
| Residential<br>Non Residential   | 137,352,815<br>1,724,154 |                                |                               |                                |                              |                                |
| Total from base rates  |                          | 10,054,585                     |                               | \$12,055,527                   |                              | \$13,745,983                   |
| Fuel adjustment<br>Environmental surcharge   |                          | 1,282,149<br>700,267           |                               |                                |                              |                                |
| Total revenues   |                          | \$12,037,000                   |                               |                                |                              |                                |
| Amount<br>Percent  |                          |                                |                               | \$2,000,942<br>19.9%           |                              | \$1,690,456<br>14.0%           |
| Average monthly bill<br>Amount<br>Percent  |                          | \$126.12                       |                               | \$151.22<br>\$25.10<br>19.9%   |                              | \$172.43<br>\$21.20<br>14.0%   |

Exhibit J page 8 of 12 Witness:Jim Adkins

### Large Industrial Rate - Schedule B1

|   | •              |                    |                  | <u> </u>                            |                  |                               |
|---|----------------|--------------------|------------------|-------------------------------------|------------------|-------------------------------|
|   |                | Test               |                  | alized<br>2008-00536                | Proposed         |                               |
|   | Billing        | Year               | Rates            | Revenues                            | Rates            | Revenues                      |
| <u>Description</u>  | Determinants   | Revenues           | Nates            | rtovonace                           |                  |                               |
| Consumer Facility Charge                                      | 144            | 81,693             | \$590.43         | \$85,022                            | \$590.43         | \$85,022                      |
| Demand Charge<br>Contract Demand<br>Excess of contract Demand | 249,001<br>820 | 1,428,199<br>6,830 | \$5.94<br>\$8.63 | 1,479,066<br>7,077                  | \$5.94<br>\$8.63 | 1,479,066<br>7,077            |
| Energy charge   | 118,062,866    | 5,263,651          | \$0.05671        | 6,695,345                           | \$0.05671        | 6,695,345                     |
| Discount 5% Rate 38   |                | (34,374)           |                  | (34,374)                            |                  | (34,374)                      |
| Total from base rates   |                | 6,745,999          |                  | \$8,232,136                         |                  | \$8,232,136                   |
| Fuel adjustment<br>Environmental surcharge                    |                | 997,698<br>482,224 |                  |                                     |                  |                               |
| Total revenues  |                | \$8,225,921        |                  |                                     |                  |                               |
| Amount<br>Percent   |                |                    |                  | \$1,486,137<br>22.0%                |                  | \$0<br>0.0%                   |
| Average monthly bill Amount Percent                           |                | \$46,847.22        |                  | \$57,167.61<br>\$10,320.39<br>22.0% |                  | \$57,167.61<br>\$0.00<br>0.0% |

Exhibit J page 9 of 12 Witness:Jim Adkins

### Large Industrial Rate - Schedule B2

|   | Billing       | Test<br>Year       | Normalized<br>Case No. 2008-00536 |                                      | Proposed         |                                |
|---|---------------|--------------------|-----------------------------------|--------------------------------------|------------------|--------------------------------|
| Description   | Determinants  | Revenues           | Rates                             | Revenues                             | Rates            | Revenues                       |
| Consumer Facility Charge                                      | 12            | \$13,626           | \$1,179.75                        | \$14,157                             | \$1,179.75       | \$14,157                       |
| Demand Charge<br>Contract Demand<br>Excess of contract Demand | 81,900<br>314 | 464,469<br>2,521   | \$5.94<br>\$8.63                  | 486,486<br>2,710                     | \$5.94<br>\$8.63 | 486,486<br>2,710               |
| Energy charge   | 36,694,268    | 1,431,084          | \$0.05119                         | 1,878,380                            | \$0.05119        | 1,878,380                      |
| Total from base rates   |               | 1,911,700          | :                                 | \$2,381,732                          | =                | \$2,381,732                    |
| Fuel adjustment<br>Environmental surcharge                    |               | 303,396<br>138,813 |                                   |                                      |                  |                                |
| Total revenues  |               | \$2,353,909        | :                                 |                                      |                  |                                |
| Amount<br>Percent   |               |                    |                                   | \$470,032<br>24.6%                   |                  | \$0<br>0.0%                    |
| Average monthly bill<br>Amount<br>Percent                     |               | \$159,308.37       |                                   | \$198,477.70<br>\$39,169.33<br>24.6% |                  | \$198,477.70<br>\$0.00<br>0.0% |

Exhibit J page 10 of 12 Witness:Jim Adkins

### Outdoor and Street Lighting Service - Rate 3

|  | Billing                                | Test<br>Year                                    |  | nalized<br>2008-00536                           | Pro  | pposed   |
|--|--|---|--|---|--|--|
| Description  | Determinants                           | Revenues  | Rates  | Revenues  | Rates  | Revenues   |
| 100 Watt HPS Security Light 100 Watt Decorative Colonial Light 400 Watt Directional Flood Light 250 Watt Directional Flood Light 150 Watt Decorative Acorn | 42,885<br>912<br>1,622<br>3,878<br>163 | \$303,561<br>8,760<br>22,820<br>39,786<br>1,868 | \$7.86<br>\$10.50<br>\$16.43<br>\$11.73<br>\$12.61 | \$337,076<br>9,576<br>26,649<br>45,489<br>2,055 | \$9.31<br>\$12.44<br>\$19.46<br>\$13.90<br>\$14.94 | \$399,259<br>11,345<br>31,564<br>53,904<br>2,435 |
| kWh  | 2,305,054                              |   |  | 0   | ,  | 0  |
| Total from base rates  |  | 376,795   |  | \$420,846                                       | :  | \$498,508  |
| Fuel adjustment<br>Environmental surcharge   |  | 1,142<br>1,848                                  |  |   |  |  |
| Total revenues   |  | \$379,785                                       |  |   |  |  |
| Amount<br>Percent  |  |   |  | \$44,051<br>11.7%                               |  | \$77,662<br>18.5%                                |

Exhibit J page 11 of 12 itness:Jim Adkins

### Envirowatts

|  | Dilling                 | Test<br>Year | Normalized<br>Case No. 2008-00536 |             | Proposed  |             |
|--|-------------------------|--------------|-----------------------------------|-------------|-----------|-------------|
| <u>Description</u>                         | Billing<br>Determinants | Revenues     | Rates                             | Revenues    | Rates     | Revenues    |
| Envirowatts                                |                         |              |                                   |             |           |             |
| kWh  | 123,800                 | 3,497        | \$0.02825                         | 3,497       | \$0.02825 | 3,497       |
| Billing Correction adjustments             |                         |              |                                   |             |           |             |
| Total from base rates                      |                         | 3,497        |                                   | \$3,497     | : :       | \$3,497     |
| Fuel adjustment<br>Environmental surcharge |                         |              |                                   |             |           |             |
| Total revenues                             |                         | \$3,497      |                                   |             |           |             |
| Amount<br>Percent                          |                         |              |                                   | \$0<br>0.0% |           | \$0<br>0.0% |

Exhibit J page 12 of 12 Witness:Jim Adkins

# Shelby Energy Cooperative, Inc. Case No. 2009-00410 Billing Analysis July 31, 2009 Summary

| Billing                 | Billing      | Test<br>Year | Normalized<br>Case No. 2008-00536 |                    | Proposed |                   |
|-------------------------|--------------|--------------|-----------------------------------|--------------------|----------|-------------------|
| Determinants            | Determinants | Revenues     | Rates                             | Revenues           | Rates    | Revenues          |
|                         |              |              |                                   |                    |          |                   |
| Total from base rates   | 438,698,745  | 30,550,303   |                                   | 36,594,161         |          | 38,863,376        |
| Fuel adjustment         |              | 3,875,174    |                                   |                    |          |                   |
| Environmental surcharge |              | 2,112,848    |                                   |                    |          |                   |
| Total revenues          |              | 36,538,325   |                                   |                    |          |                   |
| Per Form 7              | 438,574,945  | 36,538,324   |                                   |                    |          |                   |
| Increase                | (123,800)    | (0)          |                                   | 0.040.075          |          | 0.000.047         |
| Amount<br>Percent       |              |              |                                   | 6,043,858<br>19.8% |          | 2,269,215<br>6.2% |

| 1        |                            |                         | Exhibit K           |
|----------|----------------------------|-------------------------|---------------------|
| 2        |                            |                         | page 1 of 7         |
| 3        |                            |                         | Witness: Jim Adkins |
| 4        | Shelby:                    | Energy Cooperative      |                     |
| 5        | Case                       | No. 2009-00410          |                     |
| 6        | Compute                    | ation of Rate of Return |                     |
| 7        | -                          | July 31, 2009           |                     |
| 8        |                            |                         |                     |
| 9        |                            |                         |                     |
| 10       |                            | Actual                  | Adjusted            |
| 11       |                            | Test Year               | Test Year           |
| 12       |                            |                         |                     |
| 13       | Net margins                | \$560,006               | \$1,688,052         |
| 14       |                            |                         |                     |
| 15       | G&T patronage capital      | 350,180                 | 0                   |
| 16       |                            |                         |                     |
| 17       | Interest on long-term debt | 1,652,811               | 1,688,052           |
| 18       | m . 1                      | 2 4 6 2 2 2 2           |                     |
| 19       | Total                      | 2,562,997               | 3,376,104           |
| 20       | <b>N</b>                   | <b>50 5</b> (0 500      | <b></b>             |
| 21       | Net rate base              | 52,760,783              | 52,717,992          |
| 22       | <b>D</b>                   | 1.0707                  | e 100/              |
| 23       | Rate of return             | <u>4.86%</u>            | <u>6.40%</u>        |
| 24       | Fauity Conitalization      | 50 701 400              | 54.020.252          |
| 25       | Equity Capitalization      | 52,701,480              | 54,039,352          |
| 26       | Rate of return             | 1 060/                  | ( )50/              |
| 27       | Kate of return             | <u>4.86%</u>            | <u>6.25%</u>        |
| 28<br>29 |                            |                         |                     |
| 30       |                            |                         |                     |
| 31       |                            |                         |                     |
| ٥.       |                            |                         |                     |

Exhibit K page 3 of 7 Witness: Jim Adkins

### Shelby Energy Cooperative Case No. 2009-00410 Computation of Rate of Return July 31, 2009

|  | Calendar Year          |                       |                          |                        |                          |                        |
|--|------------------------|-----------------------|--------------------------|------------------------|--------------------------|------------------------|
|  | Test Year<br>2009      | 1st<br>2008           | 2nd<br>2007              | 3rd<br>2006            | 4th<br>2005              | 5th<br>2004            |
| Net margins Interest on long-term debt         | \$560,006<br>1,652,811 | \$90,239<br>1,669,016 | \$1,090,642<br>1,690,546 | \$982,838<br>1,745,199 | \$1,223,167<br>1,350,168 | \$341,162<br>1,267,282 |
|  | 2,212,817              | 1,759,255             | 2,781,188                | 2,728,037              | 2,573,335                | 1,608,444              |
| Total .  | 52,760,783             | 52,119,323            | 51,064,182               | 48,992,331             | 46,678,367               | 44,288,833             |
| Net rate base  Rate of return                  | <u>4.19%</u>           | <u>3.38%</u>          | <u>5.45%</u>             | <u>5.57%</u>           | <u>5.51%</u>             | <u>3.63%</u>           |
|  | Γ                      |                       |                          | Calendar Year          |                          | - FAI-                 |
| Return excluding G & T<br>patronage dividends: | Test Year<br>2009      | 1st<br>2008           | 2nd<br>2007              | 3rd<br>2006            | 4th<br>2005              | 5th<br>2004            |
| Net margins                                    | \$560,006              | \$90,239              | \$1,090,642              | \$982,838              | \$1,223,167<br>-         | \$341,162<br>-         |
| G & T patronage dividends                      | 350,180<br>1,652,811   | 350,180<br>1,669,016  | 1,690,546                | 1,745,199              | 1,350,168                | 1,267,282              |
| Interest on long-term debt                     | 1,862,637              | 1,409,075             | 2,781,188                | 2,728,037              | 2,573,335                | 1,608,444              |
| Total  | 52,760,783             | 52,119,323            | 51,064,182               | 48,992,331             | 46,678,367               | 44,288,833             |
| Net rate base  Rate of return, excluding G & T | 3.53%                  | - 700/                |                          | <u>5,57%</u>           | <u>5.51%</u>             | <u>3.63%</u>           |

Exhibit K page 4 of 7 Witness: Jim Adkins

### Shelby Energy Cooperative Case No. 2009-00410 Determination of Rate Base July 31, 2009

|    |  |              | •            |              |                    |              |              |
|----|--|--------------|--------------|--------------|--------------------|--------------|--------------|
| 7  |  |              |              |              | Calendar Year      |              |              |
| В  |  |              |              |              | 3rd                | 4th          | 5th          |
| 9  | Γ  | Test Year    | 1st          | 2nd          | 2006               | 2005         | 2004         |
| 10 |  | 2009         | 2008         | 2007         | 2000               |              |              |
| 11 | a mata haga:   |              |              |              | \$57,282,703       | \$54,455,870 | \$51,513,651 |
| 12 | Gross rate base:   | \$63,977,054 | \$62,537,689 | \$60,203,558 | 470,429            | 304,151      | 264,487      |
| 13 | Total electric plant Material and supplies (13 mo. ave te: |              | 289,486      | 407,186      | 97,063             | 94,399       | 84,980       |
| 14 | Prepayments (13 mo. ave test year)                         | 111,589      | 94,075       | 99,731       | 97,003             | <b>C</b> 1,1 |              |
| 15 | Prepayments (15 mo. ave test year)                         |              |              |              |                    |              |              |
| 16 | Working capital:<br>12.5% of operating expense             |              |              | 405.004      | 528,720            | 509,072      | 523,473_     |
| 17 | less cost of power   | 594,492      | 560,601      | 485,984      | 58,378,915         | 55,363,492   | 52,386,591   |
| 18 | less cost of power   | 64,993,801   | 63,481,851   | 61,196,459   | 30,370,010         | ,            |              |
| 19 |  |              |              |              |                    |              |              |
| 20 | Deductions from rate base:                                 |              |              | 0.040.402    | 8,455,775          | 7,849,370    | 7,273,041    |
| 21 | Deductions from rate states                                | 11,336,003   | 10,458,392   | 9,210,103    |                    | 835,755      | 824,717      |
| 22 | Accumulated depreciation                                   | 897,015      | 904,136      | 922,174      | 930,000            |              |              |
| 23 | Consumer advances  |              |              | A=4 004 400  | \$48,992,331       | \$46,678,367 | \$44,288,833 |
| 24 | N. A water hoop  | \$52,760,783 | \$52,119,323 | \$51,064,182 | <b>Φ40,332,331</b> | -            |              |
| 25 | Net rate base  |              |              |              |                    |              |              |

| 1<br>2<br>3<br>4<br>5<br>6<br>7 | Case No. 2                             | y Cooperative<br>2009-00410<br>C Calculations<br>1, 2009 | Exhibit K<br>page 5 of 7<br>Witness: Jim Adkins |
|---------------------------------|--|--|---|
| 8<br>9                          |  | Actual   | Adjusted  |
| 10                              |  | Test Year  | <u>Test Year</u>                                |
| 11                              |  | 10001041   |   |
| 12                              | TIER:                                  |  |   |
| 13                              |  |  |   |
| 14                              | Margins, excluding G&T capital credits | \$209,826  | \$1,688,052                                     |
| 15                              | Interest on long term debt             | 1,652,811  | 1,688,052                                       |
| 16                              |  |  |   |
| 17                              | TIER                                   | 1.13   | 2.00  |
| 18                              |  |  |   |
| 19                              |  |  |   |
| 20                              | DSC:                                   |  |   |
| 21                              |  |  |   |
| 22                              | Margins, excluding G&T                 | <b>#</b> 200.026   | <b>#1.600.050</b>                               |
| 23                              | capital credits                        | \$209,826  | \$1,688,052                                     |
| 24                              | Depreciation expense                   | 1,829,713  | 1,872,504                                       |
| 25                              | Interest on long term debt             | 1,652,811  | 1,688,052                                       |
| 26                              | Principal payment on                   | 1 070 005  | 1 070 005                                       |
| 27                              | long term debt                         | 1,078,885  | 1,078,885                                       |
| 28                              | DSC                                    | 1.35   | 1.90  |
| 29                              | DSC                                    | 1.55   | 1.90  |
| 30<br>31                        | DSC = (Margins + depreciation + intere | ot .   |   |
| 32                              | / interest + principal payments)       | G.   |   |
| 33                              | , morest · principal paymond)          |  |   |
| 34                              |  |  |   |
| 35                              |  |  |   |
|                                 |  |  |   |

Exhibit K page 6 of 7 Witness: Jim Adkins

### Shelby Energy Cooperative Case No. 2009-00410 TIER and DSC Calculations July 31, 2009

| 3        |  | Г           | Calendar Year |              |             |   |             |  |  |
|----------|--|-------------|---------------|--------------|-------------|---|-------------|--|--|
| )        | ſ  | Test Year   | 1st           | 2nd          | 3rd         | 4th                                     | 5th         |  |  |
| 10       |  | 2009        | 2008          | 2007         | 2006        | 2005                                    | 2004        |  |  |
| 11       | TIER calculations:                                 |             |               |              |             |   |             |  |  |
| 12<br>13 | Margins, excluding G&T                             |             |               | #4 000 G49   | \$982,838   | \$1,223,167                             | \$341,162   |  |  |
| 14       | capital credits                                    | \$209,826   | (\$259,941)   | \$1,090,642  | 1,745,199   | 1,350,168                               | 1,267,282   |  |  |
| 15       | Interest on long term debt                         | 1,652,811   | 1,669,016     | 1,690,546    | 1,745,185   | 1,000,100                               |             |  |  |
| 16       |  | 4.40        | 0.84          | 1.65         | 1.56        | 1.91                                    | 1.27        |  |  |
| 17       | Modified TIER                                      | 1.13        | 0.04          | 1.00         |             |   |             |  |  |
| 18       | COT  |             |               |              |             |   | 2011 100    |  |  |
| 19       | Margins, including G&T                             | \$560,006   | \$90,239      | \$1,090,642  | \$982,838   | \$1,223,167                             | \$341,162   |  |  |
| 20       | capital credits Interest on long term debt         | 1,652,811   | 1,669,016     | 1,690,546    | 1,745,199   | 1,350,168                               | 1,267,282   |  |  |
| 21       | Interest on long term debt                         | .,,-        |               |              | 4.50        | 1.91                                    | 1.27        |  |  |
| 22       | TIER   | 1.34        | 1.05          | 1.65         | 1.56        | 1.91                                    | 1.27        |  |  |
| 23<br>24 | TILIX  |             |               |              |             |   |             |  |  |
| 25       | DSC calculations:                                  |             |               |              |             |   |             |  |  |
| 26       |  |             |               |              |             |   |             |  |  |
| 27       | DSC = ((Margins + depreciation +                   | - interest) |               |              |             |   |             |  |  |
| 28       | / (interest + principal payments)                  | )           |               |              |             |   |             |  |  |
| 29       |  |             |               |              |             |   |             |  |  |
| 30       | Margins, excluding G&T                             | \$209,826   | (\$259,941)   | \$1,090,642  | \$982,838   | \$1,223,167                             | \$341,162   |  |  |
| 31       | capital credits                                    | 1,829,713   | 1,793,305     |              | 1,637,383   |   | 1,462,252   |  |  |
| 32       | Depreciation expense                               | 1,652,811   | 1,669,016     | 1,690,546    | 1,745,199   | 1,350,168                               | 1,267,282   |  |  |
| 33       | Interest on long term debt<br>Principal payment on | 1,00=10     |               |              |             | 000.005                                 | 831,345     |  |  |
| 34       | long term debt                                     | 1,078,885   | 1,051,684     | 971,536      | 998,104     | 863,205                                 | 031,040     |  |  |
| 35       | long term dest                                     | •           |               |              | 4.50        | <u>1.86</u>                             | <u>1.46</u> |  |  |
| 36<br>37 | Modified DSC                                       | <u>1.35</u> | <u>1.18</u>   | <u>1,69</u>  | <u>1.59</u> | <u>1.00</u>                             |             |  |  |
| 38       | mouniou = 0 1                                      |             |               |              |             |   |             |  |  |
| 39       | Margins, including G&T                             |             |               | 5 m4 000 643 | \$982,838   | \$1,223,167                             | \$341,162   |  |  |
| 40       | capital credits                                    | \$560,006   | \$90,239      |              |             | 1,548,032                               |             |  |  |
| 41       | Depreciation expense                               | 1,829,713   | 1,793,305     | •            |             | 1,350,168                               |             |  |  |
| 42       | Interest on long term debt                         | 1,652,811   | 1,669,016     | 1,090,040    | 1,740,100   | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, |             |  |  |
| 43       | Principal payment on                               | 4 070 005   | 1,051,684     | 971,536      | 998,104     | 863,205                                 | 831,345     |  |  |
| 44       | long term debt                                     | 1,078,885   | 1,051,004     | 0, 1,000     |             |   |             |  |  |
| 45       |  | <u>1.48</u> | <u>1.31</u>   | <u>1,69</u>  | <u>1.59</u> | <u>1.86</u>                             | <u>1.46</u> |  |  |
| 46       | DSC  | <u>1.18</u> |               |              |             |   |             |  |  |

Exhibit K page 7 of 7 Witness: Jim Adkins

### Shelby Energy Cooperative Case No. 2009-00410 Equity Capitalization July 31, 2009

2

3

| 6  |   |             | July        | 31, 2009    |                         |   |             |            |
|----|---|-------------|-------------|-------------|-------------------------|---|-------------|------------|
| 7  |   |             |             |             | Cr                      | alendar Year                            |             |            |
| 8  | !   |             | Test        |             |                         | aleriuai reai                           |             |            |
| 9  |   |             | Year        |             | 2007                    | 2006                                    | 2005        | 2004       |
| 10 |   | Proposed    | 2009        | 2008        | 2007                    | 2000                                    |             |            |
| 11 | = 'ty Comitalization'                                   |             |             |             |                         |   |             |            |
| 12 | Equity Capitalization:<br>without G&T patronage capital |             |             |             |                         |   |             |            |
| 13 | without G&T pationage oupsus                            |             |             |             | 05 000 775              | 24,927,601                              | 24,294,872  | 23,622,271 |
| 14 | Total margins and equities                              | 27,144,209  | 25,456,157  | 25,133,422  | 25,322,775<br>6,911,465 | 6,911,465                               | 6,911,465   | 6,911,465  |
| 15 | Less G&T Patronage capital                              | 7,611,825   | 7,261,645   | 6,911,465   | 6,911,400               | 0,011,100                               |             |            |
| 16 | Less Gal Fallonage suprise                              |             |             | 10 004 057  | 18,411,310              | 18,016,136                              | 17,383,407  | 16,710,806 |
| 17 |   | 19,532,384  | 18,194,512  | 18,221,957  | 34,142,444              | 34,357,635                              | 28,984,147  | 26,905,713 |
| 18 | Long-term debt  | 34,506,968  | 34,506,968  | 35,080,075  | 34,142,444              | 01,001,100                              |             |            |
| 19 | Long-term dept  |             |             | E0 202 022  | 52,553,754              | 52,373,771                              | 46,367,554  | 43,616,519 |
| 20 | Total   | 54,039,352  | 52,701,480  | 53,302,032  | 32,000,101              |   |             |            |
| 21 | lotai   |             |             | 34%         | <u>35%</u>              | <u>34%</u>                              | <u>37%</u>  | <u>38%</u> |
| 22 | Equity capitalization ratio                             | <u>36%</u>  | <u>35%</u>  | <u>3470</u> | <u>00.70</u>            |   |             |            |
| 23 | Equity capitalization                                   |             |             |             |                         |   |             |            |
| 24 | Equity Capitalization:                                  |             |             |             |                         |   |             |            |
| 25 | with G&T patronage capital                              |             |             |             |                         |   |             |            |
| 26 | With Oar patients                                       |             |             | 05 400 400  | 25,322,775              | 24,927,601                              | 24,294,872  | 23,622,271 |
| 27 | Total margins and equities                              | 27,144,209  | 25,456,157  | 25,133,422  | 34,142,444              | 34,357,635                              | 28,984,147  | 26,905,713 |
| 28 | Long-term debt  | 34,506,968  | 34,506,968  | 35,080,075  | 54,142,441              |   |             |            |
| 29 | Long-term doza  | -           | 105         | 60,213,497  | 59,465,219              | 59,285,236                              | 53,279,019  | 50,527,984 |
| 30 | Total   | 61,651,177  | 59,963,125  | 60,213,431  | 33,400,210              |   |             |            |
| 31 | lotai   |             | .00/        | 420/        | <u>43%</u>              | <u>42%</u>                              | <u>46%</u>  | <u>47%</u> |
| 32 | Equity capitalization ratio                             | <u>44%</u>  | <u>42%</u>  | <u>42%</u>  | <u> 10 / v</u>          | -                                       |             |            |
| 33 | Equity Supraments                                       |             |             |             |                         |   |             |            |
| 34 | Equity to Total Assets:                                 |             |             |             |                         |   |             |            |
| 35 | with G&T patronage capital                              |             |             |             |                         |   |             |            |
| 36 | Willi Gat pationage say                                 |             |             | 22 242 407  | 59,465,219              | 59,285,236                              | 53,279,019  | 50,527,984 |
| 37 | Total margins and debt                                  | 61,651,177  | 59,963,125  | 60,213,497  | 65,373,508              | 64,682,893                              | 60,255,465  | 55,432,74  |
| 38 | Total assets  | 69,846,678  | 68,158,626  | 67,427,630  | 000,070,000             | , |             |            |
| 39 | Total assets  |             | 101 774     | 127,641,127 | 124,838,727             | 123,968,129                             | 113,534,484 | 105,960,73 |
| 40 | Total   | 131,497,855 | 128,121,751 | 121,041,121 | 12-1,000,121            |   |             | _          |
| 41 | 1000  |             |             | 47%         | 48%                     | 48%                                     | 47%         | <u>48</u>  |
| 42 | Equity to total asset ratio                             | <u>47%</u>  | <u>47%</u>  | 47.70       | <u>. 10 / 9</u>         |   | -           |            |
| 43 | Equity to total desired                                 |             |             |             |                         |   |             |            |
| 44 |   |             |             |             |                         |   |             |            |

| 1        |  | Exhibit L          |
|----------|--|--------------------|
| 2        |  | page 1 of 1        |
| 3        |  | itness: Jim Adkins |
| 4        | Shelby Energy Cooperative                                    |                    |
| 5        | Case No. 2009-00410  |                    |
| 6<br>7   | Reconciliation of Rate Base and Capital<br>July 31, 2009     |                    |
| 8        | ,  |                    |
| 9        |  |                    |
| 10       | Reconciliation of Rate Base and Capital used to determine re | evenue requiremen  |
| 11       | are as follows:  |                    |
| 12<br>13 | Equity Capitalization, with                                  |                    |
| 14       | G&T capital credits  | 59,963,125         |
| 15       | Ga i capital ciculis   | 00,000,120         |
| 16       | G&T capital credits  | (7,611,825)        |
| 17       | ·  |                    |
| 18       |  | 52,351,300         |
| 19       | Reconciling items:   |                    |
| 20       | Capital credits from associated organizations                |                    |
| 21       | (Allocated but unpaid)                                       | (1,418,630)        |
| 22       | Working capital requirements                                 | 594,492            |
| 23       | Material and supplies, 13 month average                      | 310,666            |
| 24       | Prepayments, 13 month average                                | 111,589            |
| 25       | Cash and temporary investments                               | (2,320,828)        |
| 26       | Accounts receivable  | (3,679,731)        |
| 27       | Material and supplies  | (295,332)          |
| 28       | Prepayments  | (83,534)           |
| 29       | Deferred debits  | (107,695)          |
| 30       | Accumulated operating provisions                             | 1,895,285          |
| 31       | Accounts payable   | 4,456,074          |
| 32       | Consumer deposits  | 386,110            |
| 33       | Accrued expenses   | 561,017            |
| 34       |  |                    |
| 35       |  |                    |
| 36       | Net Rate Base  | 52,760,783         |
| 37       |  |                    |
| 38       |  |                    |

|  |  | • |
|--|--|---|
|  |  |   |
|  |  |   |
|  |  |   |

### SHEI 3Y ENER LOOP. INC. ACCOUNT MASTER LIST PAGE 1 PRG. GLACCTLT ALL ACCOUNTS RUN DATE 09/11/09 01:55 PM

| ACCOUNT | DESCRIPTION                      | B/S   | S TV<br>INC B/S<br>LINE LINE | INC | MARGIN<br>ACCOUNT | INACTIVE | BANK TRANSIT<br>BANK ACCOUNT | BANK NAME |
|---------|----------------------------------|-------|------------------------------|-----|-------------------|----------|------------------------------|-----------|
| 107.00  | CONST.FUNDS - CLOSED WORK ORDERS | 2.00  | 2.00                         |     | 107.00            | Y .      |                              |           |
| 107.20  | CONSTRUCTION WORK IN PROGRESS    | 2.00  | 2.00                         | 1   | 107.20            |          |                              |           |
| 107.28  | CONSTRUCTION OVERHEAD INDIRECT   | 2.00  | 2.00                         |     | 107.28            |          |                              |           |
| 107.29  | CONSTRUCTION MISC. OVERHEAD      | 2.00  | 2.00                         |     | 107.29            | Y        |                              |           |
| 107.30  | SPECIAL EQUIP. WORK IN PROGRESS  | 2.00  | 2.00                         |     | 107.30            |          |                              |           |
| 107.50  | CONST. IN PROGRESS               | 2.00  | 2.00                         |     | 107.50            | Y        |                              |           |
| 108.50  | ACC PROVISION DEPR-TRANSMISSION  | 4.00  | 4.00                         |     | 108.50            |          |                              |           |
| 108.60  | ACC PROVISON FOR DEPR-DIST PLANT | 4.00  | 4.00                         |     | 108.60            |          |                              |           |
| 108.70  | ACC PROVISION FOR DEPR-GEN.PLANT | 4.00  | 4.00                         |     | 108.70            |          |                              |           |
| 108.80  | RETIREMENT WORK IN PROGRESS      | 4.00  | 4.00                         |     | 108.80            |          |                              |           |
| 108.88  | RETIREMENT OVERHEAD INDIRECT     | 4.00  | 4.00                         |     | 108.88            |          |                              |           |
| 108.89  | RETIREMENT MISC. OVERHEAD        | 4.00  | 4.00                         |     | 108.89            | Y        |                              |           |
| 111.00  | ACC PROVISION FOR AMORT ELEC.PLT | 4.00  | 4.00                         |     | 111.00            | Y        |                              |           |
| 123.10  | INVEST IN ASSOC ORG PATR CAP EKP | 8.00  | 8.00                         |     | 123.10            |          |                              |           |
| 123.20  | INVEST IN ASSOC ORG PTR CAP KAEC | 8.00  | 8.00                         |     | 123.20            |          |                              |           |
| 123.21  | SUBSCRIPTIONS CAP, TERM CERT.CFC | 34.00 | 34.00                        |     | 123.21            | Y        |                              |           |
| 123,22  | INVESTMENTS CAPITAL TRM CERT.CFC | 10.00 | 10.00                        |     | 123.22            |          |                              |           |
| 123.23  | OTHER INVEST.IN ASSOC.ORGANIZATN | 10.00 | 10.00                        |     | 123.23            |          |                              |           |
| 123.24  | OTHER INVEST ENVISION ENERGY SER | 10.00 | 10.00                        |     | 123.24            |          |                              |           |
| 123.25  | EQUITY INVESTMENT - C.R.C.       | 10.00 | 10.00                        |     | 123.25            |          |                              | •         |
| 123.30  | INVEST ASSOC ORG PAT CAP U.U.S.  | 8.00  | 8.00                         |     | 123.30            |          |                              |           |
| 123.40  | INVEST ASSOC ORG PAT CAP C.F.C.  | 8.00  | 8.00                         |     | 123.40            |          |                              |           |
| 123.41  | COOPERATIVE INTEGRITY FUND       | 9.00  | 9.00                         |     | 123.41            | Y        |                              |           |
| 123.42  | INVEST ASSOC ORG PAT CAP C.R.C.  | 8.00  | 8.00                         |     | 123.42            |          |                              |           |
| 123.50  | INVEST ASSOC ORG PAT CAP CON. CR | 8.00  | 8.00                         |     | 123.50            | Y        |                              |           |
| 123.60  | INVEST ASSOC ORG PAT CAP NISC    | 8.00  | 8.00                         |     | 123.60            |          |                              |           |

## SHELBY ENER OOP. INC. ACCOUNT MASTER LIST. PAGE 2 RUN DATE 09/11/09 01:55 PM PRG. GLACCTLT RUN DATE 09/11/09 01:55 PM

| ACCOUNT | DESCRIPTION                      | B/S   | STVA<br>INC B/S INC<br>LINE LINE LINE | MARGIN<br>ACCOUNT | INACTIVE | BANK TRANSIT<br>BANK ACCOUNT | BANK NAME                   |
|---------|----------------------------------|-------|---------------------------------------|-------------------|----------|------------------------------|-----------------------------|
| 123.65  | INVEST ASSOC ORG PAT CAP SEDC    | 8.00  | 8.00                                  | 123.65            |          |                              |                             |
| 123.70  | INVEST ASSOC PAT CAP FEDERATED   | 8.00  | 8.00                                  | 123.70            | Y        |                              |                             |
| 123.80  | INVEST ASSOC PAT CAP TARHEEL EMA | 8.00  | 8.00                                  | 123.80            |          |                              |                             |
| 123.90  | INVEST RUS RURAL ECONOMIC DEVMNT | 11.00 | 11.00                                 | 123.90            |          |                              |                             |
| 123.91  | INVEST SUBSID. S E S EARNINGS    | 7.00  | 7.00                                  | 123.91            |          |                              |                             |
| 123.92  | INVEST SUBSID. SES CAPITAL STOCK | 7.00  | 7.00                                  | 123.92            |          |                              |                             |
| 124.00  | OTHER INVESTMENTS                | 12.00 | 12.00                                 | 124.00            |          |                              |                             |
| 124.10  | INVESTMENT-CFC MEMBER CAP. SEC.  | 12.00 |                                       | 124.10            |          |                              |                             |
| 128.00  | OTHER SPECIAL FUNDS              | 13.00 | 13.00                                 | 128.00            | Y        |                              |                             |
| 128.20  | INVESTMENT - OTHER SPECIAL FUNDS | 13.00 | 13.00                                 | 128.20            | Y        |                              |                             |
| 131.00  | CASH-PAYROLL-CITIZENS UNION BANK | 15.00 | 15.00                                 | 131.00            |          | 083901621<br>000 189 9       | CITIZENS UNION BANK         |
| 131.10  | CASH-GEN.FNDS-CITIZENS UNION BNK | 15.00 | 15.00                                 | 131.10            |          | 083901621<br>000 189 9       | CITIZENS UNION BANK         |
| 131.11  | CASH-GEN.FNDS-FARMERS BK AND TRT | 15.00 | 15.00                                 | 131.11            |          | 083903069<br>71-086-526      | FARMERS BANK AND TRUST      |
| 131.13  | CASH-ECON.DEV.COOP FUND-C.U.B    | 15.00 | 15.00                                 | 131.13            |          | 083901621<br>401-683-1       | CITIZENS UNION BANK         |
| 131.20  | CASH-RUS / CFC CONSTRUCTION FUND | 17.00 | 17.00                                 | 131.20            |          | 083901621<br>000-286-0       | CITIZENS UNION BANK         |
| 131.30  | CASH-GEN.FND-BEDFORD LN / DEP.BK | 15.00 | 15.00                                 | 131.30            |          | 083904314<br>02 236 5        | BEDFORD LN AND DEPOSIT BANK |
| 131.40  | CASH - TRANSFER OF FUNDS         | 15.00 | 15.00                                 | 131.40            |          | 083901621<br>000-189-9       | CITIZENS UNION BANK         |
| 131.60  | CASH-CAPITAL CREDIT REFUNDS      | 15.00 | 15.00                                 | 131.60            |          | 083901621<br>010 206 7       | CITIZENS UNION BANK         |
| 134.00  | OTHER SPECIAL DEPOSITS           | 17.00 | 17.00                                 | 134.00            |          |                              |                             |
| 135.00  | WORKING FUNDS - PERMANENT        | 15.00 | 15.00                                 | 135.00            |          |                              |                             |
| 136.00  | TEMPORARY CASH INVESTMENTS       | 18.00 | 18.00                                 | 136.00            | Y        |                              |                             |
| 136.30  | TEMP CASH INVEST CFC COM PAPER   | 18.00 | 18.00                                 | 136.30            | )        |                              |                             |
| 141.00  | NOTES REC-SHELBY ENERGY SERVICES | 7.00  | 7,00                                  | 141.00            | ) Y      |                              |                             |
| 142.00  | ACCOUNTS RECEIVABLE - CONSUMERS  | 20.00 | 20.00                                 | 142.00            | )        |                              |                             |
| 142.10  | ACCT REC-CONSUMERS OFF SERVICE   | 20.00 | 20.00                                 | 142.10            | ) Y      |                              |                             |
| 142.42  | LOAD MANAGEMENT CREDITS          | 21.00 |                                       | 142.00            | )        |                              |                             |

## SHELBY ENER OOP. INC. ACCOUNT MASTER LIST ALL ACCOUNTS RUN DATE 09/11/09 01:55 PM ALL ACCOUNTS

BANK NAME

| ACCOUNT | DESCRIPTION                      | RUS<br>B/S INC<br>LINE LINE | TVA<br>B/S INC<br>LINE LINE | MARGIN INACTIVE<br>ACCOUNT | BANK TRANSIT<br>BANK ACCOUNT |
|---------|----------------------------------|-----------------------------|-----------------------------|----------------------------|------------------------------|
| 143.00  | ACCOUNTS RECEIVABLE - OTHER      | 21.00                       | 21.00                       | 143.00                     |                              |
| 143.10  | ACCOUNTS RECEIVABLE - ACRE CONT. | 21.00                       | 21.00                       | 143.10                     |                              |
| 143.11  | ACCT REC-SHELBY ENERGY SERVICES  | 21.00                       | 21.00                       | 143.11                     |                              |
| 143.12  | ACCT REC-SHELBY PROPANE PLUS     | 21.00                       | 21.00                       | 143.12                     |                              |
| 143.13  | ACCOUNTS REC - OTHER - MEDICAL   | 21.00                       | 21.00                       | 143.13                     |                              |
| 143.14  | ACCT.REC-OTHER-EMPLOYEE PURCHASE | 21.00                       | 21.00                       | 143.14                     |                              |
| 143.15  | CONSUMER BILL ADJUSTMENT         | 21.00                       | 21.00                       | 143.15                     |                              |
| 143.20  | ACCT REC-OTHER GROUP INS & 401K  | 21.00                       | 21.00                       | 143.20                     |                              |
| 143.21  | ACCOUNTS REC - OTHER - RETIREES  | 21.00                       | 21.00                       | 143.21                     |                              |
| 143.30  | ACCT REC - EAST KENTUCKY POWER   | 21.00                       | 21.00                       | 143.30 Y                   |                              |
| 143.31  | ACCOUNTS REC - E T S UNITS       | 21.00                       | 21.00                       | 143.31 Y                   |                              |
| 143.40  | ACCOUNTS RECEIVABLE-MATERIAL SLD | 21.00                       | 21.00                       | 143.40                     |                              |
| 143.50  | ACCOUNTS RECEIVABLE VOUCHERS     | 21.00                       | 21.00                       | 143.50                     |                              |
| 143.60  | ACCOUNTS RECEIVABLE - F.E.M.A.   | 21.00                       | 21.00                       | 143.60                     |                              |
| 143.70  | ACCT REC-OTHER-EAST KY POWER     | 21.00                       | 21.00                       | 143.70 Y                   |                              |
| 143.71  | ACCOUNTS RECEIVABLE - A.T.& T.   | 21.00                       | 21.00                       | 143.71                     |                              |
| 143.80  | A/R ADV EXP-DIRECTORS AND ATTY.  | 21.00                       | 21.00                       | 143.80                     |                              |
| 143.81  | DIRECTOR AND ATTY-GUEST REIMBRMT | 21.00                       | 21.00                       | 143.81                     |                              |
| 143.90  | CLEARING ACCOUNTS - VOID CHECKS  | 21.00                       | 21.00                       | 143.90 Y                   |                              |
| 144.10  | ACCUM PROV UNCOLLECT RES/SM COM  | 20.00                       | 20,00                       | 144.10                     |                              |
| 144.11  | ACCUM PROV FOR UNCOLL LG POWER   | 20.00                       | 20.00                       | 144.11                     |                              |
| 144.20  | ACCUM PROV FOR UNCOLL CONS.ACCTS | 20.00                       | 20.00                       | 144.20 Y                   |                              |
| 154.00  | MATERIAL AND SUPPLIES - ELECTRIC | 22.00                       | 22.00                       | 154.00                     |                              |
| 154.40  | MATERIAL SOLD CLEARING ACCOUNT   | 22.00                       | 22.00                       | 154.40                     |                              |
| 154.90  | TRANSPORTATION INVENTORY         | 22.00                       | 22.00                       | 154.90                     |                              |
| 155.10  | MERCHANDISE RESALE MARKETING PGM | 22.00                       | 22.00                       | 155.10                     |                              |
|         |                                  |                             |                             |                            |                              |

## SHELBY ENERC OOP. INC. ACCOUNT MASTER LIST. ALL ACCOUNTS RUN DATE 09/11/09 01:55 PM

| ING. CLIII | <b>-</b>                          |         |         |           |          |                              |           |
|------------|-----------------------------------|---------|---------|-----------|----------|------------------------------|-----------|
| ACCOUNT    | DESCRIPTION                       | B/S INC | B/S INC | C ACCOUNT | INACTIVE | BANK TRANSIT<br>BANK ACCOUNT | BANK NAME |
| 155.20     | MERCHANDISE RESALE TOY BUCKET TR  | 22.00   | 22.00   | 155.20    | Y        |                              |           |
| 155.30     | MERCHANDISE RESALE MISCELLANEOUS  | 22.00   | 22.00   | 155.30    | Y        |                              |           |
| 163.00     | STORES EXPENSE CLEARING ACCOUNT   | 22.00   | 22.00   | 163.00    |          |                              |           |
| 165.10     | PREPAID INSURANCE                 | 23.00   | 23.00   | 165,10    |          |                              |           |
| 165.20     | OTHER PREPAYMENTS                 | 23.00   | 23.00   | 165.20    |          |                              |           |
| 165.30     | PREPAID SALES AND USE TAX         | 23.00   | 23.00   | 165.30    |          |                              |           |
| 165.40     | PREPAID INS - LIFE, DIS AND 24 HR | 23.00   | 23.00   | 165.40    | Y        |                              |           |
| 165.50     | PREPAID M I N T PROGRAM           | 23.00   | 23.00   | 165.50    | Y        |                              |           |
| 165.80     | PREPAID TRU CHECK MTR RDG SERVIC  | 23.00   | 23.00   | 165.80    | Y        |                              |           |
| 165.90     | PREPAID EKP MEDICAL INSURANCE     | 23.00   | 23.00   | 165.90    | Y        |                              |           |
| 171.00     | INTEREST AND DIVIDEND RECEIVABLE  | 24.00   | 24,00   | 171.00    | )        |                              |           |
| 181.00     | UNAMORTIZED DEBT EXPENSE          | 27.00   | 27.00   | 181.00    | ) Y      |                              |           |
| 183.00     | PRELIM SRVY AND INVESTIGATN CHGS  | 27.00   | 27.00   | 183.00    | ) Y      |                              |           |
| 183.60     | PRE-LOAN EXPENSE                  | 27.00   | 27.00   | 183.60    | ) Y      |                              |           |
| 184.10     | TRANSPORTATION CLEARING ACCOUNT   | 27.00   | 27.00   | 184.10    | )        |                              |           |
| 184.30     | HEAVY WORK EQUIP CLEARING ACCT    | 27.00   | 27.00   | 184.30    |          |                              |           |
| 186.00     | MISCELLANEOUS DEFERRED DEBITS     | 27.00   | 27.00   | 186.00    |          |                              |           |
| 186.10     | SYSTEM MAPPING PROJECT            | 27.00   | 27.00   | 186.10    |          |                              |           |
| 186.11     | DEFERRED DEBIT-XL RUN TM LIC3100  | 27.00   | 27.00   | 186.1     | 1 Y      |                              |           |
| 186.13     | DEFERRED DEBIT INVENTORY ADJMT    | 27.00   | 27.00   | 186.1     |          |                              |           |
| 186.20     | DEFERRED DEBIT LN RNG PLN ENGR    | 27.00   | 27.00   | 186.2     | 0 Y      |                              |           |
| 186.30     | MANAGEMENT AUDIT PROJECT          | 27.00   | 27.00   | 186.3     | 0        |                              |           |
| 201.10     | PATRONAGE CAPITAL CREDITS         | 30.00   | 30.00   | 201.1     | 0        |                              |           |
| 201.20     | PATRONAGE CAP CREDITS ASSIGNED    | 30.00   | 30.00   | 201.2     | 0        |                              |           |
| 208.00     | DONATED CAPITAL                   | 34.00   | 34.00   | 208.0     | 0        |                              |           |
| 208.10     | GAINS - ESTATE REFUNDS            | 34.00   | 34.00   | 208.1     | 0        |                              |           |
|            |                                   |         |         |           |          |                              |           |

### SHELBY ENERC JOP. INC. ACCOUNT MASTER LIST. PAGE 5 PRG. GLACCTLT RUN DATE 09/11/09 01:55 PM

| ACCOUNT | DESCRIPTION                      | B/S INC |       | MARGIN INACTIVE ACCOUNT | BANK TRANSIT<br>BANK ACCOUNT | BANK NAME |
|---------|----------------------------------|---------|-------|-------------------------|------------------------------|-----------|
| 208.20  | GAINS - SEDC                     | 34,00   | 34.00 | 208.20                  |                              |           |
| 215.31  | Other Comprehensive Income       | 34.00   |       | 215.31                  |                              |           |
| 217.00  | REACQUIRED CAPITAL STOCK         | 34.00   | 34.00 | 217.00                  |                              |           |
| 219.10  | OPERATING MARGINS                | 31.00   | 31.00 | 219.10                  |                              |           |
| 219.11  | OPERATING DEFICIT                | 31.00   | 31.00 | 219.11                  |                              |           |
| 219.20  | NON-OPERATING MARGINS            | 33.00   | 33.00 | 219.20                  |                              |           |
| 219.21  | NON-OPERATING DEFICIT            | 33.00   | 33.00 | 219.21                  |                              |           |
| 219.40  | OTHER MARGINS AND EQUITIES PRIOR | 30.00   | 30.00 | 219.40                  |                              |           |
| 224.12  | OTHER LT DEBTS - CFC CONST LOAN  | 39.00   | 40.00 | 224.12                  |                              |           |
| 224.13  | CFC - NOTES EXECUTED - DEBIT     | 39.00   | 40.00 | 224.13                  |                              |           |
| 224.30  | LT DEBT - RUS OBLIGATION         | 36.00   | 36.00 | 224.30                  |                              |           |
| 224.31  | LT DEBT - RUS ECOMONIC DEVELOPMT | 40.00   | 37.00 | 224.31                  |                              |           |
| 224,32  | LONG TERM DEBT FFB OBLIGATION    | 37.00   | 38.00 | 224.32                  |                              |           |
| 224.40  | RUS NOTES EXECUTED-CONST-DEBT    | 36.00   | 36.00 | 224,40                  |                              |           |
| 224.41  | FFB NOTES EXECUTED               | 37.00   | 38.00 | 224.41                  |                              |           |
| 224.50  | OTHER LONG TERM DEBT - NRECA     | 39.00   | 40.00 | 224.50                  |                              |           |
| 224.60  | ADVANCE PAYMENTS - UNAPPLIED RUS | 36.00   | 36.00 | 224.60                  |                              |           |
| 224.70  | OTHER LT DEBT - CFC CONST LOAN   | 39.00   | 40.00 | 224.70                  |                              |           |
| 226.00  | INTEREST ACCRUED-DEFERRED-REA    | 36.00   | 36.00 | 226.00                  |                              |           |
| 227.00  | ADVANCED PYMTS APPLIED LT DEBT   | 36.00   | 36,00 | 227.00                  |                              |           |
| 228.30  | ACCUM PROV PENSION / BEN SEC 125 | 44.00   | 43.00 | 228.30                  |                              |           |
| 228.31  | ACC PROV PENSION / BEN-FASB 106  | 44.00   | 43.00 | 228.31                  |                              |           |
| 228.32  | ACCUM PROV BENEFIT C/A AND AEGON | 44.00   | 43.00 | 228.32                  |                              |           |
| 228.33  | ACC PROV BENEFITS DEFERRED COMP. | 44.00   | 43.00 | 228.33                  |                              |           |
| 228.34  | ACCUM PROV BENEFITS - DENTALCARE | 44.00   | 43.00 | 228.34                  |                              |           |
| 228.35  | ACCUM. PROV. BENEFITS - GROUP ME | 44.00   | 43.00 | 228.35                  |                              |           |
|         |                                  |         |       |                         |                              |           |

## SHELBY ENERG JOP. INC. ACCOUNT MASTER LIST. PAGE 6 PRG, GLACCTLT ALL ACCOUNTS RUN DATE 09/11/09 01:55 PM

| ACCOUNT | DESCRIPTION                      | B/S INC |       | MARGIN<br>ACCOUNT | INACTIVE | BANK TRANSIT<br>BANK ACCOUNT | BANK NAME |
|---------|----------------------------------|---------|-------|-------------------|----------|------------------------------|-----------|
| 231.00  | NOTES PAYABLE-CFC LINE OF CREDIT | 46.00   | 45.00 | 231.00            |          |                              |           |
| 231.10  | NOTES PAYABLE CFC SHELBY EN SERV | 46.00   | 45.00 | 231.10            |          |                              |           |
| 232.10  | ACCOUNTS PAYABLE                 | 47.00   | 46.00 | 232.10            |          |                              |           |
| 232.11  | WINTERCARE ENERGY FUND           | 47.00   | 46.00 | 232.11            |          |                              |           |
| 232.12  | ACCOUNTS PAYABLE - POWER BILL    | 47.00   | 46.00 | 232.12            |          |                              |           |
| 232.14  | ACCOUNTS PAYABLE DAVIS H.ELLIOT  | 47.00   | 46.00 | 232.14            |          |                              |           |
| 232.15  | ACCOUNTS PAYABLE DOBSON POWER LN | 47.00   | 46.00 | 232.15            |          |                              |           |
| 232.16  | ACCOUNTS PAYABLE M&M ELECTRICIAL | 47.00   | 46.00 | 232.16            |          |                              |           |
| 232.20  | OVERPAYMENT OF BILLS             | 47.00   | 46.00 | 232.20            | Y        |                              |           |
| 232.30  | ACCOUNTS PAYABLE BEDFORD LN & DP | 47.00   | 46.00 | 232.30            | Y        |                              |           |
| 232.70  | ACCOUNTS PAYABLE ALVA ROBINSON   | 47.00   | 46.00 | 232.70            | Y        |                              |           |
| 232,80  | A/P CUB ECONOMIC DEVELOPMENT FND | 47.00   | 46.00 | 232.80            | Y        |                              |           |
| 232.90  | A/P Health Reimbursement Account | 47.00   | 46.00 | 232.90            |          |                              |           |
| 233.00  | NOTES PAYABLE EAST KENTUCKY PWR  | 46.00   | 45.00 | 233.00            | Y        |                              |           |
| 235.00  | CONSUMER DEPOSITS                | 48.00   | 47.00 | 235.00            |          |                              |           |
| 236.10  | ACCRUED PROPERTY TAXES           | 52.00   | 51.00 | 236.10            |          |                              |           |
| 236.20  | ACCRUED FEDERAL UNEMPLOYMENT     | 52.00   | 51.00 | 236.20            |          |                              |           |
| 236.30  | ACCRUED FICA TAX                 | 52.00   | 51.00 | 236.30            |          |                              |           |
| 236.40  | ACCRUED STATE UNEMPLOYMENT TAX   | 52.00   | 51.00 | 236.40            |          |                              |           |
| 236.50  | ACCRUED KENTUCKY SALES TAX       | 52.00   | 51.00 | 236.50            |          |                              |           |
| 236.60  | DISTRICT TAX TOTAL               | 52.00   | 51.00 | 236.60            |          |                              |           |
| 236.61  | SHELBY COUNTY SCHOOL TAX         | 52.00   | 51.00 | 236.61            |          |                              |           |
| 236.62  | HENRY COUNTY SCHOOL TAX          | 52.00   | 51.00 | 236.62            |          |                              |           |
| 236.63  | TRIMBLE COUNTY SCHOOL TAX        | 52.00   | 51.00 | 236.63            |          |                              |           |
| 236.64  | CARROLL COUNTY SCHOOL TAX        | 52.00   | 51.00 | 236.64            |          |                              |           |
| 236,65  | EMINENCE SCHOOL TAX              | 52.00   | 51.00 | 236.65            |          |                              |           |

## SHELBY ENERC LOOP. INC. PAGE 7 ACCOUNT MASTER LIST. PAGE 7 RUN DATE 09/11/09 01:55 PM PRG. GLACCTLT RUN DATE 09/11/09 01:55 PM

| ACCOUNT | DESCRIPTION                      | RUS<br>B/S<br>LINE | INC | TV<br>B/S<br>LINE | A<br>INC<br>LINE | MARGIN<br>ACCOUNT | INACTIVE | BANK<br>BANK | TRANSIT<br>ACCOUNT | BANK | NAME |
|---------|----------------------------------|--------------------|-----|-------------------|------------------|-------------------|----------|--------------|--------------------|------|------|
| 236.66  | SPENCER COUNTY SCHOOL TAX        | 52.00              |     | 51.00             |                  | 236.66            |          |              |                    |      |      |
| 236.67  | ANDERSON COUNTY SCHOOL TAX       | 52.00              |     | 51.00             |                  | 236.67            |          |              |                    |      |      |
| 236.68  | FRANKLIN COUNTY SCHOOL TAX       | 52.00              |     | 51.00             |                  | 236.68            |          |              |                    |      |      |
| 236.69  | FRANCHISE TX - SIMPSONVILLE      | 52.00              |     | 51.00             |                  | 236.69            |          |              |                    |      |      |
| 236.71  | FRANCHISE TX-S'VILLE-RES AND COM | 52,00              |     | 51.00             |                  | 236.71            |          |              |                    |      |      |
| 236.72  | FRANCHISE TX-S'VILLE-LARGE POWER | 52.00              |     | 51.00             |                  | 236.72            |          |              |                    |      |      |
| 236.73  | FRANCHISE TAX - CAMPBELLSBURG    | 52.00              |     | 51.00             |                  | 236.73            |          |              |                    |      |      |
| 236.80  | DISCRETIONARY ANNUAL BONUS       | 52.00              |     | 51.00             |                  | 236.80            |          |              |                    |      |      |
| 237.10  | INTEREST ACCRUED-RUS OBLIGATION  | 52.00              |     | 51.00             |                  | 237.10            |          |              |                    |      |      |
| 237.11  | INTEREST ACCRUED FFB OBLIGATION  | 52,00              |     | 51.00             |                  | 237.11            |          |              |                    |      |      |
| 237.30  | OTHER INTEREST ACCRUED           | 52.00              |     | 51.00             |                  | 237.30            |          |              |                    |      |      |
| 237.40  | INTEREST ACCRUED CFC OBLIGATION  | 52.00              |     | 51.00             |                  | 237.40            |          |              |                    |      |      |
| 237.50  | INTEREST ACCRUED CONS. DEPOSITS  | 52.00              |     | 51.00             |                  | 237.50            |          |              |                    |      |      |
| 238.10  | PATRONAGE CAPITAL - PAYABLE      | 52.00              |     | 51.00             |                  | 238.10            | 1        |              |                    |      |      |
| 241.00  | ACC. FEDERAL INCOME TAX EMPLOYEE | 52.00              |     | 51,00             |                  | 241.00            | )        |              |                    |      |      |
| 241.10  | ACC STATE INCOME TAX EMPLOYEE    | 52.00              |     | 51.00             |                  | 241.10            | )        |              |                    |      |      |
| 241.20  | ACCRUED EMPLOYEE OCCUPATIONAL TX | 52.00              |     | 51.00             |                  | 242.20            | )        |              |                    |      |      |
| 242.00  | MISC CURRENT / ACCRUED LIABILITS | 52.00              |     | 51.00             |                  | 242.00            | )        |              |                    |      |      |
| 242.01  | PAYROLL CLEARING ACCOUNT         | 52.00              |     | 51.00             |                  | 242.03            | L        |              |                    |      |      |
| 242.10  | ACCRUED VACATION                 | 52.00              |     | 51.00             |                  | 242.10            | 0        |              |                    |      |      |
| 242.20  | AWARDED SICK LEAVE               | 52.00              |     | 51.00             |                  | 242.20            | 0        |              |                    |      |      |
| 252.10  | CONS ADV PYMT 150' THRU 300'     | 55.00              |     | 54.00             |                  | 252.1             | 0        |              |                    |      |      |
| 252.20  | CONS ADV PYMT 301' THRU 1000'    | 55.00              |     | 54.00             |                  | 252.2             | 0        |              |                    |      |      |
| 252.30  | CONS ADV PYMT ALL OVER 1000'     | 55.00              |     | 54.00             |                  | 252.3             | 0        |              |                    |      |      |
| 252.40  | DEFERRED CREDIT DEPR ADJUSTMENT  | 55.00              |     | 54.00             |                  | 252.4             |          |              |                    |      |      |
| 253.00  | DEFERRED CREDIT INVENTORY ADJMT  | 55.00              |     | 54.00             | ı                | 253.0             | О У      |              |                    |      |      |

### SHELBY ENER OOP. INC. ACCOUNT MASTER LIST ALL ACCOUNTS RUN DATE 09/11/09 01:55 PM

| ACCOUNT | DESCRIPTION                       | B/S   | INC B/S INC LINE LINE | NC ACCOUNT | INACTIVE | BANK TRANSIT<br>BANK ACCOUNT | BANK NAME |
|---------|-----------------------------------|-------|-----------------------|------------|----------|------------------------------|-----------|
| 253.10  | OTHER DEFERRED CREDITS            | 55.00 | 54.00                 | 253.10     | Y        |                              |           |
| 364.00  | POLES, TOWERS AND FIXTURES        | 1.00  | 1.00                  | 364.00     |          |                              |           |
| 365.00  | OVERHEAD CONDUCTORS AND DEVICES   | 1.00  | 1.00                  | 365.00     |          |                              |           |
| 365.10  | O C R'S AT SUBSTATION             | 1.00  | 1.00                  | 365.10     | Y        |                              |           |
| 366,00  | UNDERGROUND CONDUIT               | 1.00  | 1.00                  | 366.00     |          |                              |           |
| 367.00  | UNDERGROUND CONDUCTORS / DEVICES  | 1.00  | 1.00                  | 367.00     |          |                              |           |
| 368.00  | LINE TRANSFORMERS                 | 1.00  | 1.00                  | 368.00     |          |                              |           |
| 369.00  | SERVICES                          | 1.00  | 1.00                  | 369.00     |          |                              |           |
| 370.00  | METERS                            | 1.00  | 1.00                  | 370.00     |          |                              |           |
| 370.10  | MIN-MAX-AMP METERS @ SUBSTATION   | 1.00  | 1.00                  | 370.10     | Y        |                              |           |
| 371.00  | INSTALLATION ON CONS PREMISES     | 1.00  | 1.00                  | 371.00     |          |                              |           |
| 373.00  | STREET LIGHTS AND SIGNAL SYSTEM   | 1.00  | 1.00                  | 373.00     |          |                              |           |
| 389.00  | LAND AND LAND RIGHTS (NEW OFFICE) | 1.00  | 1.00                  | 389.00     |          |                              |           |
| 389.10  | LAND AND LAND RIGHTS              | 1.00  | 1.00                  | 389.10     |          |                              |           |
| 390.00  | STRUCTURES AND IMPROVEMENTS       | 1.00  | 1.00                  | 390.00     |          |                              |           |
| 390.10  | STRUCTURE AND IMPROVEMENTS-LEASE  | 1.00  | 1.00                  | 390.10     |          |                              |           |
| 391.00  | OFFICE FURNITURE AND FIXTURES     | 1.00  | 1.00                  | 391.00     |          |                              |           |
| 392.00  | TRANSPORTATION EQUIPMENT          | 1.00  | 1.00                  | 392.00     |          |                              |           |
| 393.00  | STORES EQUIPMENT                  | 1.00  | 1.00                  | 393.00     |          |                              |           |
| 394.00  | TOOLS, SHOP AND GARAGE EQUIPMENT  | 1.00  | 1.00                  | 394.00     |          |                              |           |
| 395.00  | LABORATORY EQUIPMENT              | 1.00  | 1.00                  | 395.00     |          |                              |           |
| 396.00  | POWER OPERATED EQUIPMENT          | 1.00  | 1.00                  | 396.00     |          |                              |           |
| 396.10  | UNDERGROUND EQUIPMENT             | 1.00  | 1.00                  | 396.10     | Y        |                              |           |
| 397.00  | COMMUNICATIONS EQUIPMENT          | 1.00  | 1.00                  | 397.00     |          |                              |           |
| 398.00  | MISCELLANEOUS EQUIPMENT           | 1.00  | 1.00                  | 398.00     |          |                              |           |
| 403.60  | DEPR. EXPENSE-DISTRIBUTION PLANT  | 32.00 | 12.00 32.00 12.0      | 219.10     |          |                              |           |
|         |                                   |       |                       |            |          |                              |           |

### SHELBY ENER JOP. INC. ACCOUNT MASTER LIST. PAGE 9 PRG. GLACCTLT ALL ACCOUNTS RUN DATE 09/11/09 01:55 PM

| 403.70 DEPR. EXPENSE - GENERAL PLANT 32.00 12.00 32.00 12.00 219.10 408.40 TAXES - STATE UNEMPLOYMENT 32.00 14.00 32.00 14.00 219.10 Y 408.50 TAXES - STATE ASSESSMENT 32.00 14.00 32.00 14.00 219.10 415.00 REVENUE FROM MERCHANDISING 33.00 24.00 33.00 24.00 219.20 416.00 COST AND EXP. FROM MERCHANDISING 33.00 24.00 33.00 24.00 219.20 417.00 MANAGEMENT/CONSULTING SERVICES 33.00 24.00 33.00 24.00 219.20 418.10 EQUITY EARNINGS-SUBSIDIARY - SES 33.00 23.00 33.00 23.00 219.20 419.00 INVESTMENT AND DIVIDEND INCOME 33.00 23.00 33.00 23.00 219.20 421.00 NON-OPERATING MARGIN - OTHER 33.00 24.00 33.00 24.00 219.20 Y 421.10 GAIN ON DISPOSITION OF PROPERTY 33.00 24.00 33.00 24.00 219.20 422.10 LOSS ON DISPOSITION OF PROPERTY 33.00 24.00 33.00 24.00 219.20 423.00 G AND T CAPITAL CREDITS 32.00 25.00 32.00 25.00 219.10 424.00 OTHER CAPITAL CR / PAT DIVIDENDS 32.00 25.00 32.00 25.00 219.10 426.10 DONATIONS 32.00 18.00 32.00 18.00 219.10 427.20 INTEREST ON REA CONSTRUCTION IN 32.00 15.00 32.00 15.00 219.10 | 1E |
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| 408.50 TAXES - STATE ASSESSMENT 32.00 14.00 32.00 14.00 219.10 415.00 REVENUE FROM MERCHANDISING 33.00 24.00 33.00 24.00 219.20 416.00 COST AND EXP. FROM MERCHANDISING 33.00 24.00 33.00 24.00 219.20 417.00 MANAGEMENT/CONSULTING SERVICES 33.00 24.00 33.00 24.00 219.20 418.10 EQUITY EARNINGS-SUBSIDIARY - SES 33.00 23.00 23.00 219.20 418.20 EQUITY EARNINGS-SUBSID ENVISION 33.00 23.00 23.00 219.20 419.00 INVESTMENT AND DIVIDEND INCOME 33.00 21.00 33.00 21.00 219.20 421.00 NON-OPERATING MARGIN - OTHER 33.00 24.00 33.00 24.00 219.20 Y 421.10 GAIN ON DISPOSITION OF PROPERTY 33.00 24.00 33.00 24.00 219.20 421.20 LOSS ON DISPOSITION OF PROPERTY 33.00 24.00 33.00 24.00 219.20 423.00 G AND T CAPITAL CREDITS 32.00 25.00 32.00 25.00 219.10 424.00 OTHER CAPITAL CR / PAT DIVIDENDS 32.00 26.00 219.10 426.40 CIVIC, POLITICAL / RELATED ACTVTS 32.00 18.00 219.10 427.10 INTEREST ON REA CONSTRUCTION LN 32.00 15.00 32.00 15.00 219.10  |    |
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| 427.20 INTEREST ON CFC CONSTRUCTION LN 32.00 15.00 32.00 15.00 219.10  |    |
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| 427.30 INTEREST ON FFB CONSTRUCTION LN 32.00 15.00 32.00 15.00 219.10  |    |
| 430.00 INT ON DEBT TO ASSOC ORGANIZATNS 32.00 17.00 32.00 17.00 219.10   |    |
| 431.10 INTEREST EXPCONSUMER DEPOSITS 32.00 17.00 32.00 17.00 219.10  |    |
| 431.30 SHORT TERM INTEREST - CFC 32.00 17.00 32.00 17.00 219.10  |    |
| 440.10 RESIDENTIAL SALES-RESIDENTIAL 32.00 1.00 32.00 1.00 219.10  |    |
| 440.11 RESIDENTIAL SALES-07 CORRECTION 32.00 1.00 219.10   |    |
| 442.10 COMMERCIAL / INDUSTRIAL SALES-SM 32.00 1.00 32.00 1.00 219.10   |    |
| 442.11 COMMERCIAL-IND-SM-07 CORRECTION 32.00 1.00 219.10   |    |

### SHELBY ENER OOP. INC. ACCOUNT MASTER LIST PAGE 10 PRG. GLACCTLT RUN DATE 09/11/09 01:55 PM

| ACCOUNT | DESCRIPTION                      | B/S   | ST<br>INC B/S<br>LINE LINE | INC  |        | INACTIVE | BANK TRANSIT<br>BANK ACCOUNT | BANK NAME |
|---------|----------------------------------|-------|----------------------------|------|--------|----------|------------------------------|-----------|
| 442.20  | COMMERCIAL / INDUSTRIAL SALES-LG | 32.00 | 1.00 32.00                 | 1.00 | 219.10 |          |                              |           |
| 442.21  | COMMERICAL-IND-LG-07 CORRECTION  | 32.00 | 1.00                       |      | 219.10 |          |                              |           |
| 444.00  | PUBLIC STREET / HIGHWAY LIGHTING | 32.00 | 1.00 32.00                 | 1.00 | 219.10 |          |                              |           |
| 444.10  | PUBLIC ST-HWY LIGHT-07 CORRECTIN | 32.00 | 1.00                       |      | 219.10 |          |                              |           |
| 450.00  | FORFEITED DISCOUNTS              | 32.00 | 1.00 32.00                 | 1.00 | 219.10 |          |                              |           |
| 454.00  | RENT FROM ELECTRIC PROPERTY      | 32.00 | 1.00 32.00                 | 1.00 | 219.10 |          |                              |           |
| 456.00  | OTHER ELECTRIC REVENUE           | 32.00 | 1.00 32.00                 | 1.00 | 219.10 |          |                              |           |
| 555.00  | PURCHASE POWER                   | 32.00 | 3.00 32.00                 | 3.00 | 219.10 |          |                              |           |
| 580.00  | OPERATION, SUPERVISION AND ENGR. | 32.00 | 5.00 32.00                 | 5.00 | 219.10 |          |                              |           |
| 583.00  | OVERHEAD LINE EXPENSE            | 32.00 | 5.00 32.00                 | 5.00 | 219.10 |          |                              |           |
| 584.00  | UNDERGROUND LINE EXPENSE         | 32.00 | 5.00 32.00                 | 5.00 | 219.10 |          |                              |           |
| 585.00  | STREET LIGHTING / SIGNAL EXPENSE | 32.00 | 5.00 32.00                 | 5.00 | 219.10 |          |                              |           |
| 586.00  | METER EXPENSE                    | 32.00 | 5.00 32.00                 | 5.00 | 219.10 |          |                              |           |
| 586.10  | METER TESTING                    | 32.00 | 5.00 32.00                 | 5.00 | 219.10 |          |                              |           |
| 586.20  | METERS CHANGED FOR TESTING       | 32.00 | 5.00 32.00                 | 5.00 | 219.10 |          |                              |           |
| 586.30  | METER RECORD KEEPING(D.GRAHAM)   | 32.00 | 5.00 32.00                 | 5.00 | 219.10 |          |                              |           |
| 587.00  | CONSUMER INSTALLATION EXPENSE    | 32.00 | 5.00 32.00                 | 5.00 | 219.10 |          |                              |           |
| 588.00  | MISCELLANEOUS DISTRIBUTION EXP.  | 32.00 | 5.00 32.00                 | 5.00 | 219.10 |          |                              |           |
| 590.00  | MAINTENANCE-SUPERVISION / ENGR.  | 32.00 | 6.00 32.00                 | 6.00 | 219.10 |          |                              |           |
| 593.00  | MAINTENANCE OF OVERHEAD LINES    | 32.00 | 6.00 32.00                 | 6.00 | 219.10 |          |                              |           |
| 593.10  | PATROLLING - PLANNED             | 32.00 | 6.00 32.00                 | 6.00 | 219.10 |          |                              |           |
| 593.20  | O.C.R. MAINTENANCE - PLANNED     | 32.00 | 6.00 32.00                 | 6.00 | 219.10 |          |                              |           |
| 593.30  | RIGHT OF WAY - PLANNED           | 32.00 | 6.00 32.00                 | 6.00 | 219.10 |          |                              |           |
| 593.35  | RIGHT OF WAY - SPRAYING          | 32.00 | 6.00 32.00                 | 6.00 | 219.10 |          |                              |           |
| 593.40  | AIR PATROL                       | 32.00 | 6.00 32.00                 | 6.00 | 219.10 |          |                              |           |
| 593.50  | TREATMENT OF POLES               | 32.00 | 6.00 32.00                 | 6.00 | 219.10 |          |                              |           |

### SHELBY ENER OOP. INC. ACCOUNT MASTER LIST PAGE 11 PRG. GLACCTLT RUN DATE 09/11/09 01:55 PM

| ACCOUNT | DESCRIPTION                      | B/S INC     | TVA<br>B/S INC<br>LINE LINE | *************************************** | BANK TRANSIT<br>BANK ACCOUNT | BANK NAME |
|---------|----------------------------------|-------------|-----------------------------|---|------------------------------|-----------|
| 593.60  | FUSE MAINTENANCE - SHELBY LABOR  | 32.00 6.00  | 32.00 6.00                  | 219.10                                  |                              |           |
| 594.00  | MAINTENANCE OF UNDERGROUND LINES | 32.00 6.00  | 32.00 6.00                  | 219.10                                  |                              |           |
| 595.00  | MAINTENANCE OF LINE TRANSFORMERS | 32.00 6.00  | 32.00 6.00                  | 219.10                                  |                              |           |
| 597.00  | MAINTENANCE OF METERS            | 32.00 6.00  | 32.00 6.00                  | 219.10                                  |                              |           |
| 598.00  | MAINTENANCE OF MISC. DIST. PLANT | 32.00 6.00  | 32.00 6.00                  | 219.10                                  |                              |           |
| 599.99  | CLEARING ACCOUNT FOR BALANCING   | 32.00 10.00 | 32.00 10.00                 | 599.99                                  |                              |           |
| 901.00  | SUPERVISION                      | 32.00 7.00  | 32.00 7.00                  | 219.10                                  |                              |           |
| 902.00  | METER READING EXPENSE            | 32.00 7.00  | 32.00 7.00                  | 219.10                                  |                              |           |
| 903.00  | CONSUMER RECORDS / COLLECT. EXP. | 32.00 7.00  | 32.00 7.00                  | 219.10                                  |                              |           |
| 904.00  | UNCOLLECTIBLE ACCOUNTS           | 32.00 7.00  | 32.00 7.00                  | 219.10                                  |                              |           |
| 907.00  | SUPERVISION                      | 32.00 8.00  | 32,00 8.00                  | 219.10                                  |                              |           |
| 908.00  | CUSTOMER ASSISTANCE EXPENSE      | 32.00 8.00  | 32.00 8.00                  | 219.10                                  |                              |           |
| 909.00  | INFORMATIONAL / INSTRUCTIONAL EP | 32.00 8.00  | 32.00 8.00                  | 219.10                                  |                              |           |
| 910.00  | MISCELLANEOUS CUSTOMER SERV.EXP. | 32.00 8.00  | 32.00 8.00                  | 219.10                                  |                              |           |
| 912.00  | DEMONSTRATING / SELLING EXPENSE  | 32.00 9.00  | 32.00 9.00                  | 219.10                                  |                              |           |
| 920.00  | ADMINISTRATIVE / GENERAL SALARY  | 32.00 10.00 | 32.00 10.00                 | 219.10                                  |                              |           |
| 921.00  | OFFICE SUPPLIES AND EXPENSE      | 32.00 10.00 | 32.00 10.00                 | 219.10                                  |                              |           |
| 921.10  | OFFICE SUPPLIES / EXPCLEARING    | 32.00 10.00 | 32.00 10.00                 | 219.10                                  |                              |           |
| 923.00  | OUTSIDE SERVICES EMPLOYED        | 32.00 10.00 | 32.00 10.00                 | 219.10                                  |                              |           |
| 925.00  | INJURIES AND DAMAGES             | 32.00 10.00 | 32.00 10.00                 | 219.10                                  |                              |           |
| 926.10  | EMPLOYEE PENSIONS / BENEFIT CLR  | 32.00 10.00 | 32.00 10.00                 | 219.10                                  |                              |           |
| 930.20  | MISCELLANEOUS GENERAL EXPENSE    | 32.00 10.00 | 32.00 10.00                 | 219.10                                  |                              |           |
| 930.21  | MISC.GENERAL EXP-DUES/MAGAZINE   | 32.00 10.00 | 32.00 10.00                 | 219.10                                  |                              |           |
| 930.30  | DIRECTORS FEES AND EXPENSES      | 32.00 10.00 | 32.00 10.00                 | 219.10                                  |                              |           |
| 931.00  | RENTS                            | 32.00 10.00 | 32.00 10.00                 | 219.10                                  |                              |           |
| 935.10  | MAINT.OF STRUCTURES / IMPROVMTS  | 32.00 10.00 | 32.00 10.00                 | 219.10                                  |                              |           |

SHELBY ENER OOP. INC.

ACCOUNT MASTER LIST
ALL ACCOUNTS

RUN DATE 09/11/09 01:55 PM

| ACCOUNT | DESCRIPTION                      | RUSTVA<br>B/S INC B/S INC<br>LINE LINE LINE LINE | MARGIN INACTIVE<br>ACCOUNT | BANK TRANSIT BANK NAME<br>BANK ACCOUNT |
|---------|----------------------------------|--|----------------------------|--|
| 935.20  | MAIN.OF OFFICE FURNITURE / FIXTS | 32.00 10.00 32.00 10.00                          | 219.10                     |  |
| 935.30  | MAIN.OF COMMUNICATIONS EQUIPMENT | 32.00 10.00 32.00 10.00                          | 219.10                     |  |
| 935.40  | MAIN. OF GENERAL PROPERTY        | 32.00 10.00 32.00 10.00                          | 219.10                     |  |
| 999.00  | PAYROLL EST. HRS. CLEARING ACCT. | 32.00 10.00 32.00 10.00                          | 219.10                     |  |

TOTAL ACCOUNTS 290

INCOME 83 BAL/SHEET 207 Kentucky 30
Shelby Energy Cooperative and Subsidiary
Shelbyville, Kentucky

Audited Financial Statements December 31, 2008 and 2007

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## ALAN M. ZUMSTEIN CERTIFIED PUBLIC ACCOUNTANT

1032 CHETFORD DRIVE LEXINGTON, KENTUCKY 40509 (859) 264-7147

#### MEMBER:

- · AMERICAN INSTITUTE OF CPA'S
- INDIANA SOCIETY OF CPA'S
- KENTUCKY SOCIETY OF CPA'S
- AICPA DIVISION FOR FIRMS
- TENNESSEE STATE BOARD OF ACCOUNTANCY

#### **Independent Auditor's Report**

To the Board of Directors Shelby Energy Cooperative

I have audited the balance sheets of Shelby Energy Cooperative and Subsidiary, as of December 31, 2008 and 2007, and the related statements of income and patronage capital and cash flows for the years then ended. These financial statements are the responsibility of Shelby Energy Cooperative's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and 7 CFR Part 1773, Policy on Audits of Rural Utilities Service (RUS) Borrowers. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Shelby Energy Cooperative and Subsidiary as of December 31, 2008 and 2007, and the results of operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued a report dated March 10, 2009, on my consideration of Shelby Energy Cooperative's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audits.

Alan M. Zumstein, CPA

Alu Zmoti

March 10, 2009

## ALAN M. ZUMSTEIN CERTIFIED PUBLIC ACCOUNTANT

1032 CHETFORD DRIVE LEXINGTON, KENTUCKY 40509 (859) 264-7147

#### MEMBER:

- AMERICAN INSTITUTE OF CPA'S
- INDIANA SOCIETY OF CPA'S
- KENTUCKY SOCIETY OF CPA'S
- AICPA DIVISION FOR FIRMS
- TENNESSEE STATE BOARD OF ACCOUNTANCY

To the Board of Directors Shelby Energy Cooperative

I have audited the financial statements of Shelby Energy Cooperative Corporation as of and for the years ended December 31, 2008 and 2007, and have issued my report thereon dated March 10, 2009. I conducted my audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Internal Control Over Financial Reporting**

In planning and performing my audit, I considered Shelby Energy's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Shelby Energy's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Shelby Energy's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more that a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

To the Board of Directors Shelby Energy Cooperative Page - 2

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Shelby Energy's financial statements are free of material misstatement, I performed test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the audit committee, management, the Rural Utilities Service, and supplemental lenders, and is not intended to be and should not be used by anyone other than these specified parties.

Am Zmrt

Alan M. Zumstein, CPA

March 10, 2009

# Shelby Energy Cooperative and Subsidiaries Consolidated Balance Sheets, December 31, 2008 and 2007

| Assets  | 2008         | 2007         |
|---|--------------|--------------|
| Utility Plant, at original cost:  |              |              |
| In service  | \$64,508,025 | \$62,016,216 |
| Under construction  | 280,252      | 452,320      |
|   | 64,788,277   | 62,468,536   |
| Less accumulated depreciation   | 11,285,433   | 9,959,436    |
|   | 53,502,844   | 52,509,100   |
| Investments   |              |              |
| Associated organizations  | 7,895,854    | 7,316,994    |
| Others  | 368,414      | 368,414      |
|   | 8,264,268    | 7,685,408    |
| Comment Aggets  |              | 97           |
| Current Assets:  Cash and cash equivalents  | 2,069,300    | 1,532,594    |
| Accounts receivable, less allowance for   | 2,009,300    | 1,5.52,554   |
| 2008 of \$399,045 and 2007 of \$418,002   | 4,484,880    | 4,441,737    |
| Material and supplies, at average cost  | 356,794      | 470,835      |
| Prepayments   | 117,611      | 114,645      |
|   | 7,028,585    | 6,559,811    |
| Total   | \$68,795,697 | \$66,754,319 |
| Members' Equities and Liabilities   |              |              |
| Mambaud Equition  |              |              |
| Members' Equities: Patronage capital and retained earnings  | \$24,601,631 | \$24,931,487 |
| Other equities and minority interests   | 1,226,508    | 1,091,237    |
| Accumulated other comprehensive income  | (419,038)    | (441,479)    |
| Trocumulation of the compression of the control of | 25,409,101   | 25,581,245   |
| Long Term Debt  | 34,610,334   | 33,895,264   |
| Accumulated Postretirement Benefits   | 1,857,970    | 1,835,779    |
| Current Liabilities:  |              |              |
| Accounts payable  | 4,022,532    | 2,651,621    |
| Short term borrowings   | 55,000       | 60,835       |
| Current portion of long term debt   | 1,250,000    | 1,120,000    |
| Consumer deposits   | 378,395      | 385,380      |
| Accrued expenses  | 308,229      | 302,021      |
|   | 6,014,156    | 4,519,857    |
| Consumer Advances for Construction  | 904,136      | 922,174      |
| Total   | \$68,795,697 | \$66,754,319 |

# Consolidated Statements of Revenue and Patronage Capital for the years ended December 31, 2008 and 2007

|  | <br> |  |
|--|------|--|

|  | 2008         | 2007         |
|--|--------------|--------------|
| Operating Revenues                             | \$39,357,494 | \$37,559,331 |
| Operating Expenses:                            |              |              |
| Cost of power                                  | 31,026,858   | 28,761,092   |
| Distribution - operations                      | 1,604,113    | 1,445,128    |
| Distribution - maintenance                     | 1,483,213    | 1,173,883    |
| Consumer accounts                              | 800,966      | 838,615      |
| Customer service and information               | 134,883      | 132,324      |
| Sales  | 5,301        | 5,794        |
| Administrative and general                     | 962,231      | 754,057      |
| Depreciation, excluding \$130,724 in 2008 and  |              |              |
| \$124,111 in 2007 charged to clearing accounts | 1,896,610    | 1,823,270    |
| Taxes  | 54,950       | 48,402       |
| Other  | 3,779        | 12,008       |
|  | 37,972,904   | 34,994,573   |
| Operating Margins before Interest Charges      | 1,384,590    | 2,564,758    |
| Interest Charges:                              |              |              |
| Interest on long-term debt                     | 1,728,385    | 1,772,442    |
| Other interest                                 | 32,330       | 22,523       |
|  | 1,760,715    | 1,794,965    |
| Operating Margins after Interest Charges       | (376,125)    | 769,793      |
| Patronage Capital assigned from:               |              |              |
| East Kentucky Power Cooperative, Inc.          | 350,180      | -            |
| Other organizations                            | 98,238       | 62,993       |
|  | 448,418      | 62,993       |
| Nonoperating Margins:                          |              |              |
| Interest income                                | 90,519       | 223,786      |
| Subsidiary and others                          | (72,573)     | 34,177       |
|  | 17,946       | 257,963      |
| Net Margins                                    | 90,239       | 1,090,749    |
| Patronage Capital - beginning of year          | 24,931,487   | 24,219,281   |
| Retirements of capital credits                 | (420,095)    | (378,543)    |
| Patronage Capital - end of year                | \$24,601,631 | \$24,931,487 |

### Consolidated Statements of Cash Flows

### for the years ended December 31, 2008 and 2007

|  | 2008        | 2007        |
|--|-------------|-------------|
| Cash Flows from Operating Activities:                                |             |             |
| Net margins  | \$90,239    | \$1,090,642 |
| Adjustments to reconcile to net cash provided                        |             |             |
| by operating activities:   |             |             |
| Depreciation   |             |             |
| Charged to expense   | 1,896,610   | 1,823,270   |
| Charged to clearing accounts   | 130,724     | 124,111     |
| Patronage capital credits  | (448,418)   | (62,993)    |
| Accumulated postretirement benefits                                  | 44,632      | (16,499)    |
| Change in assets and liabilities:                                    | 450 444     | (1.150.640) |
| Receivables  | (28,444)    | (1,153,649) |
| Material and supplies  | 114,041     | 59,736      |
| Prepayments  | (2,966)     | (1,238)     |
| Payables   | 1,368,104   | 176,257     |
| Consumer deposits  | (6,985)     | 14,630      |
| Accrued expenses and accumulated benefits                            | 6,208       | (13,182)    |
| Consumer advances for construction                                   | (18,038)    | (8,635)     |
|  | 3,145,707   | 2,032,450   |
| Cash Flows from Investing Activities:                                |             |             |
| Plant additions  | (2,829,859) | (3,883,329) |
| Salvage, net of removal costs  | (191,223)   | (236,795)   |
| Other investments, net   | (140,442)   | 67,288      |
|  | (3,161,525) | (4,052,837) |
| C. I. Elman C Binancina Activities                                   |             |             |
| Cash Flows from Financing Activities:                                | 133,384     | 124,560     |
| Other equities and minority interests                                | 2,000,000   | 124,500     |
| Additional long term borrowings                                      | (5,835)     | 835         |
| Short term borrowings (repayments) Payments on long term debt        | (1,155,227) | (1,053,004) |
| Retirement of patronage capital                                      | (420,095)   | (378,436)   |
| Invest in cushion of credit  | 297         | 756,345     |
| invest in cushion of credit  | 552,524     | (549,700)   |
| Net increase in cash   | 536,706     | (2,570,087) |
| 1 to more and more   |             |             |
| Cash balances - beginning of period                                  | 1,532,594   | 4,102,681   |
| Cash balances - end of period  | \$2,069,300 | \$1,532,594 |
| Supplemental cash flows information: Interest paid on long term debt | \$1,735,457 | \$1,770,918 |
|  |             |             |

### Note 1. Summary of Significant Accounting Policies

Shelby Energy Cooperative ("Shelby Energy") maintains its records in accordance with the policies prescribed or permitted by the Kentucky Public Service Commission ("PSC") and the United States Department of Agriculture, Rural Utilities Service ("RUS"), which conform in all material respects with generally accepted accounting principles. The more significant of these policies are as follows:

Principles of Consolidation The consolidated financial statements include the accounts of Shelby Energy, Shelby Energy Services Corporation ("Service Corporation") and Shelby Propane Plus, LLC ("Propane Plus"). Shelby Energy owns 75% and East Kentucky Power Cooperative ("East Kentucky") owns 25% of Service Corporation's outstanding stock. Service Corporation owns 100% of the outstanding stock of Propane Plus. All significant inter company accounts and transactions have been eliminated.

Business Activity Shelby Energy provides distribution electric service to residential, business and commercial consumers in ten (10) county area of central Kentucky. Service Corporation provides overall business direction to Propane Plus. Propane Plus sells propane and related accessories to residential and commercial customers in central Kentucky.

Cash and Cash Equivalents Shelby Energy considers all short-term, highly liquid investments with original maturities of three months or less to be cash equivalents.

Restricted Cash Included in cash and cash equivalents are funds that are solely for economic development activities in the amount of \$425,093 and \$593,636, for 2008 and 2007, respectively. At December 31, 2008, Shelby Energy had \$182,000 advanced to one of its consumers for economic development activities.

Off Balance Sheet Risk Shelby Energy has off-balance sheet risk in that they maintain cash deposits in financial institutions in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC). At December 31, 2008, the financial institutions reported deposits in excess of the \$250,000 FDIC insured limit several times during the audit period.

Revenue Shelby Energy records revenue as billed to its consumers based on monthly meter-reading cycles. Consumers are required to pay a refundable deposit, however, it may be waived under certain circumstances. Shelby Consumers must pay their bill within 20 days of billing, at which time a disconnect notice is sent with payment to be within 10 days. If not paid, then consumers are subject to disconnect. Accounts are written off when they are deemed to be uncollectible. The allowance for uncollectible accounts is based on the aging of receivables. There were no individual account balances that exceeded 10% of outstanding accounts receivable at December 31, 2008 and 2007.

Propane Plus recognizes revenue when earned, regardless of the period in which they are billed. Propane sales are recognized when deliveries are made, tank rental are recognized each month, and sales of related accessories at the time of sale.

Cost of Power Shelby Energy is one of sixteen (16) members of East Kentucky Power Cooperative ("East Kentucky"). Under a wholesale power agreement, Shelby Energy is committed to purchase its electric power and energy requirements from East Kentucky until 2045. The rates charged by East Kentucky are subject to approval of the PSC. The cost of purchased power is recorded monthly during the period in which the energy is consumed, based upon billings from East Kentucky.

### Notes to Financial Statements, continued

### Note 1. Summary of Significant Accounting Policies, continued

**Propane Purchased** Propane Plus purchases all of its propane requirements from an unrelated party through Kentucky Propane Plus, LLC, a related party. Propane is delivered to bulk tanks owned by Propane Plus, then delivered to customers on an as needed basis.

**Propane Inventory** Propane is measured at the end of each month and valued based on the current purchase price of propane.

Utility Plant Electric plant is stated at original cost, which is the cost when first dedicated to public service. Such amount includes applicable supervisory and overhead cost including any construction period interest and taxes. There was no interest required to be capitalized during the year.

The cost of maintenance and repairs, including renewals of minor items of property, is charged to operating expense. The cost of replacement of depreciable property units, as distinguished from minor items, is charged to electric plant. The units of property replaced or retired, including cost of removal, net of any salvage value, is charged to accumulated depreciation.

Propane Plus's fixed assets consist primarily of propane tanks located on customer's premises, bulk tanks, trucks used for delivery, and buildings and office equipment.

The major classifications of utility plant in service consist of:

|                                    | <u>2008</u>  | 2007         |
|------------------------------------|--------------|--------------|
| Distribution plant                 | \$59,185,890 | \$56,753,768 |
| General plant                      | 3,071,548    | 2,997,470    |
| Subtotal electric plant            | 62,257,438   | 59,751,238   |
|                                    |              |              |
| Propane tanks on customer premises | 1,246,541    | 1,263,499    |
| Bulk tanks                         | 269,503      | 266,936      |
| Delivery and other trucks          | 366,823      | 366,823      |
| Land and buildings                 | 305,634      | 305,634      |
| Office and other equipment         | 62,086       | 62,086       |
| Subtotal propane plant             | 2,250,587    | 2,264,978    |
|                                    | \$64,508,025 | \$62,016,216 |

**Depreciation** Shelby Energy's provision has been made for depreciation on the basis of the estimated lives of assets, using the straight-line method. Distribution plant depreciation is based on a composite rate of 2.98% per annum. General plant rates are as follows:

| Structures and improvements | 2.5%      |
|-----------------------------|-----------|
| Transportation equipment    | 10% - 20% |
| Other general plant         | 5% - 10%  |

Propane Plus' depreciation is computed using the straight-line method over the useful lives of its assets.

Advertising Shelby Energy expenses advertising costs as incurred.

### Notes to Financial Statements, continued

### Note 1. Summary of Significant Accounting Policies, continued

Management Services Propane Plus is one of four (4) members of a group of propane companies that utilize the abilities of an individual who manages the day to day operations of each propane company and arranges for the purchase of bulk propane. Propane Plus shares the cost equally for the labor, benefits, and other costs of this manager.

Goodwill Goodwill has been recorded in connection with the purchase of one-half (1/2) of the interest from an unrelated party on June 30, 2000. The excess of the payment price over the value of assets acquired has been recorded as goodwill. Propane Plus is applying SFAS No. 142, Goodwill and Other Intangible Assets, with goodwill being tested for impairment. Goodwill was tested for impairment and it was determined that goodwill has not been impaired, therefore, there was no amortization for 2008 or 2007.

Fair Value of Financial Instruments The carrying amounts of Shelby Energy's cash and cash equivalents, other receivables, investments, inventories, other assets, trade accounts payable, accrued expenses and liabilities, and other liabilities approximate fair value. The carrying value of long term debt approximates the fair value since interest rates approximate the current interest rates. Investments in associated organizations are not considered a financial instrument because they represent nontransferable interests in associated organizations.

Shelby Energy may, and also does, will also invest idle funds in local banks and in National Rural Utilities Cooperative Finance Corporation ("CFC") commercial paper. These investments are classified as held-to-maturity in accordance with Statement of Financial Accounting Standards ("SFAS") No. 115. Held-to-maturity securities are presented at amortized cost. The fair value of held-to-maturity securities approximates cost at 2008 and 2007.

Risk Management Shelby Energy is exposed to various forms of losses of assets associated with, but not limited to, fire, personal liability, theft, vehicular accidents, errors and omissions, fiduciary responsibility, workers compensation, etc. Each of these areas is covered through the purchase of commercial insurance.

Estimates The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates used in the preparation of the financial statements.

Income Tax Status Shelby Energy is exempt from federal and state income taxes under provisions of Section 501(c)(12). Accordingly, the financial statements for Shelby Energy include no provision for income taxes.

Income taxes for Service Corporation are provided on income as reported in the accompanying statements regardless of when such taxes are payable.

Propane Plus is a limited liability company treated as a partnership for federal income tax purposes. All tax related issues would be passed on to Service Corporation. Propane Plus uses the same depreciation for book and taxes, therefore, deferred taxes are considered immaterial and are not recorded.

#### Note 2. Investments in Associated Organizations

Shelby Energy records patronage capital assigned by associated organizations in the year in which such assignments are received.

The Capital Term Certificates ("CTCs") of CFC are recorded at cost. The CTCs were purchased from CFC as a condition of obtaining long-term financing. The CTCs bear interest at 0%, 3%, and 5% and are scheduled to mature at varying times from 2020 to 2080.

Investments in associated organizations consist of:

|                                  | <u>2008</u> | <u>2007</u> |
|----------------------------------|-------------|-------------|
| East Kentucky, patronage capital | \$6,371,937 | \$6,021,757 |
| CFC, patronage capital           | 149,722     | 151,680     |
| CFC, CTC's                       | 649,222     | 651,548     |
| Other associated organizations   | 542,973     | 492,009     |
| Other, Economic development loan | 182,000     |             |
| Total                            | \$7,895,854 | \$7,316,994 |

### Note 3. Patronage Capital

Under provisions of the long-term debt agreement, return to patrons of capital contributed by them is limited to amounts which would not allow the total equities and margins to be less than 30% of total assets, except that distributions may be made to estates of deceased patrons. The debt agreement provides, however, that should such distributions to estates not exceed 25% of the net margins for the next preceding year, Shelby Energy may distribute the difference between 25% and the payments made to such estates. The equity at December 31, 2008 was 37% of total assets.

Patronage capital consists of:

|                                  | <u>2008</u>  | <u>2007</u>  |
|----------------------------------|--------------|--------------|
| Assigned to date                 | \$28,463,031 | \$27,648,276 |
| Assignable margins               | 90,239       | 1,090,642    |
| Unassigned non operating margins | 835,964      | 560,077      |
| Retirements to date              | (4,787,603)  | (4,367,508)  |
| Total                            | \$24,601,631 | \$24,931,487 |

#### Note 4. Accumulated Other Comprehensive Income

The changes in accumulated other comprehensive income, which includes the effects of applying the provisions of SFAS No. 158, Employer's Accounting for Defined Benefit Pension and Other Postretirement Plans, follows:

|                              | <u>2008</u> | <u>2007</u> |
|------------------------------|-------------|-------------|
| Balance, beginning of period | (\$441,479) | ***         |
| Amortization and adjustments | 22,441      | -           |
| Initially apply SFAS No. 158 |             | (441,479)   |
| Total                        | (\$419,038) | (\$441,479) |

#### Note 5. Long Term Debt

All assets, except vehicles, are pledged as collateral on the long term debt to RUS, Federal Financing Bank ("FFB"), and CFC under a joint mortgage agreement. Long term debt consists of:

|   | <u>2008</u>  | <u>2007</u>  |
|---|--------------|--------------|
| RUS, 2% to 6%                               | \$15,400,256 | \$13,954,957 |
| FFB, 4.207% to 5.316%                       | 15,786,356   | 16,085,742   |
| CFC:  |              |              |
| 7.00% notes                                 | 79           | 17,501       |
| 5.85 to 6.65% notes (6.25 to 6.46% in 2007) | 3,893,463    | 4,084,245    |
|   | 3,893,463    | 4,101,746    |
|   | 35,080,075   | 34,142,445   |
| Less current portion                        | 1,150,000    | 1,030,000    |
| Long term portion                           | \$33,930,075 | \$33,112,445 |

The interest rates on the notes to CFC are subject to change every seven years from the repricing date for each individual note. The long term debt is due in quarterly and monthly installments of varying amounts through 2039. Shelby Energy has a loan funds available from RUS in the amount of \$9,808,000. RUS assess 12.5 basis points to administer the FFB loans.

As of December 31, 2008, the annual principal payments for the next five years are as follows: 2009 - \$1,150,000; 2010 - \$1,200,000; 2011 - \$1,300,000; 2012 - \$1,400,000; 2013 - \$1,500,000.

#### Note 6. Note Payable to Related Party

On September 12, 2000, East Kentucky issued a "Commercial Note With Guaranty" in the amount of \$1,061,193 to Propane Plus. The interest rate is variable, with the rate being the "Index Rate" as published in the Wall Street Journal, minus on-half (1/2) percent. The rate as of December 31, 2008 was 4.50% and at 2007 was 7.75%.

As of December 31, 2008, the annual principal payments for the next five years are as follows: 2009 - \$100,000; 2010 - \$110,000; 2011 - \$120,000; 2012 - \$130,000; 2013 - \$140,000.

### Note 7. Short Term Borrowings

At December 31, 2008, Shelby Energy had a short term line of credit of \$6,000,000 available from CFC. All advances against this line of credit have been repaid.

At December 31, 2008, Propane Plus had a short term line of credit of \$150,000 available from Peoples Bank of Mt. Washington. Collateral for the line of credit is the trucks and equipment. The interest rate is prime, plus two points, with a floor of 7.5%. There were no advances against this line of credit during the audit period.

Propane Plus has advanced unsecured funds from Clark Energy Propane Plus, LLC, in the amount of \$55,000 and \$60,000 at December 31, 2008 and 2007, respectively. The advances bear interest at 5%. In addition, Propane Plus advanced funds from Service Corporation in the amount of \$160,000, using the "Federal Fund" interest rate. The interest rate at December 31, 2008 was 4.01%.

#### Note 8. Pension Plan

Shelby Energy provides retirement benefits for substantially all employees through participation in the NRECA Retirement and Security Program, a multi-employer plan. In this defined benefit plan, pension for 2007. Contributions for pension expense were \$210,922 for 2008 and \$213,385 for 2007. In this master multi-employer plan, which is available to all member cooperatives of NRECA, the accumulated benefits and plan assets are not determined or allocated separately by individual employer.

Propane Plus has a profit sharing plan of 10% of net profits before the pension amount, where managers receive 5% of the plan amount and the remaining employees sharing 5%. The pension amount for 2008 was \$6,380 and 2007 was \$5,169.

#### Note 9. Postretirement Benefits

Shelby Energy sponsors a defined benefit plan that provides medical insurance coverage to retired employees hired prior to July 1, 1996. Employees hired after July 1,1996 are not eligible to participate. The plan calls for benefits to be paid at retirement based primarily upon years of service with Shelby Energy. The following is a reconciliation of the postretirement obligation.

The funded status of the plan is as follows:

Benefits paid to participants

|   | 2008          | 2007          |
|---|---------------|---------------|
| Projected benefit obligation                      | (\$1,857,970) | (\$1,835,779) |
| Plan assets at fair value                         |               | _             |
| Total   | (\$1,857,970) | (\$1,835,779) |
| The components of net periodic postretirement ber |               |               |
|   | <u>2008</u>   | <u>2007</u>   |
| Net periodic benefit cost                         | \$160,200     | \$108,000     |

Projected retiree benefit payments for the next five years are expected to be as follows: 2009 - \$98,000; 2010 - \$106,000; 2011 - \$112,000; 2012 - \$98,000; 2013 - \$96,000.

115,568

124,498

The discount rate used in determining the APBO was 6.50% for 2008 and 2007. The health care cost trend rate used to compute the APBO in an 8% annual rate of increase for 2007, and decreasing gradually to 5.5%, then remain at that level thereafter.

#### Note 10. Lease

Shelby Energy leases space for its branch office from an unrelated party. The lease, dated October 24, 1997, is for a period of 10 years, with a renewal option for 5 additional years. This is an operating lease with monthly payments of \$475 per month.

#### **Note 11. Related Party Transactions**

Several of the Directors of Shelby Energy, its President & CEO, and another employee are on the boards of directors of various associated organizations.

### Notes to Financial Statements, continued

#### Note 12. Commitments

Shelby Energy is contingently liable as guarantor for approximately \$228,000 of long term obligations of East Kentucky to RUS, CFC, and institutional investors. Substantially all assets of Shelby Energy are pledged as collateral for this guarantee, in addition to the pledge in the mortgage agreement referred to in Note 5. This contingent liability was part of an overall financing plan for the construction of a generating facility near Maysville, Kentucky.

Shelby Energy has various other agreements outstanding with local contractors. Under these agreements, the contractors will perform certain meter reading, construction, and maintenance work at specified hourly rates or unit cost, or on an as needed basis. The duration of these contracts are one to three years.

### Note 13. Environmental Contingency

Shelby Energy from time to time is required to work with and handle PCBs, herbicides, automotive fluids, lubricants, and other hazardous materials in the normal course of business. As a result, there is the possibility that environmental conditions may arise which would require Shelby Energy to incur cleanup costs. The likelihood of such an event, or the amount of such costs, if any, cannot be determined at this time. However, management does not believe such costs, if any, would materially affect Shelby Energy's financial position or its future cash flows.

### **Independent Auditor's Report**

To the Board of Directors Shelby Energy Cooperative

My report on the audits of the consolidated financial statements of Shelby Energy Cooperative and Subsidiary as of December 31, 2008 and 2007, and for the years then ended appears on page 1. My audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and cash flows of the individual companies. The supplementary consolidating information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

Alan M. Zumstein, CPA

March 10, 2009

### Shelby Energy Cooperative and Subsidiary Consolidating Balance Sheet, December 31, 2008

| Assets   | Energy  | Services   | Propane                       | Eliminations                      | Consolidated  |
|--|---|--|-------------------------------|-----------------------------------|---|
| Utility Plant, at original cost:<br>In service<br>Under construction   | \$62,257,438<br>280,252<br>62,537,690                     |  | \$2,250,587                   |                                   | \$64,508,025<br>280,252<br>64,788,277                               |
| Less accumulated depreciation  | 10,458,392 52,079,298                                     |  | 827,041<br>1,423,546          |                                   | 11,285,433<br>53,502,844  |
| Investments and Other Assets: Associated organizations Goodwill, net of amortization Subsidiary  | 7,895,854<br><u>826,036</u><br>8,721,890                  | 931,538<br>931,538   | 368,414                       | (1,757,574)<br>(1,757,574)        | 7,895,854<br>368,414<br>0<br>8,264,268                              |
| Current Assets:  Cash and cash equivalents  Accounts receivable, less allowance for Energy of \$392,445 and  | 2,022,188   | 4, <u>0</u> 51   | 43,061                        |                                   | 2,069,300   |
| Propane of \$6,600<br>Material and supplies, at average cost<br>Prepayments  | 4,205,407<br>289,486<br>109,361                           | 170,000  | 273,347<br>67,308<br>8,250    | (163,874)                         | 4,484,880<br>356,794<br>117,611                                     |
| Total  | 6,626,442<br>\$67,427,630                                 | \$1,105,589  | 391,966<br>\$2,183,926        | (163,874)<br>(\$1,921,448)        | 7,028,585<br>\$68,795,697   |
| Members' Equities and Liabi  | lities  |  |                               |                                   |   |
| Members' and Stockholder's Equities: Capital investment Patronage capital and retained earnings Minority interests and other equities Accum other comprehensive income | 950,829<br>(419,038)                                      | \$1,379,000<br>(552,964)<br>275,679  | \$860,941<br>70,597           | (\$2,239,941)<br>482,367          | \$0<br>24,601,631<br>1,226,508<br>(419,038)                         |
| I T. D. 14   | 25,133,422  | 1,101,715  | 931,538                       | (1,757,574)                       | 25,409,101  |
| Long Term Debt  Accumulated Postretirement Benefits  | 33,930,075<br>1,857,970                                   | **************************************   | 680,259                       |                                   | 34,610,334  |
|  | 1,637,970   |  |                               |                                   | 1,857,970   |
| Current Liabilities: Accounts payable Short term borrowings Current portion of long term debt Consumer deposits Accrued expenses                                       | 3,765,403<br>1,150,000<br>378,395<br>308,229<br>5,602,027 | 3,874  | 257,129<br>215,000<br>100,000 | (3,874)<br>(160,000)<br>(163,874) | 4,022,532<br>55,000<br>1,250,000<br>378,395<br>308,229<br>6,014,156 |
| Consumer Advances for Construction   | 904,136   | ermontation to the street of t |                               |                                   | 904,136   |
| Total  | \$67,427,630  | \$1,105,589  | \$2,183,926                   | (\$1,921,448)                     | \$68,795,697  |

### Shelby Energy Cooperative and Subsidiaries Consolidating Balance Sheet, December 31, 2007

| <u>Assets</u>   | Energy   | Services                            | Propane                             | Eliminations               | Consolidated                                       |
|---|--|-------------------------------------|-------------------------------------|----------------------------|--|
| Utility Plant, at original cost: In service Under construction Less accumulated depreciation  | \$59,751,238<br>452,320<br>60,203,558<br>9,210,103 |                                     | \$2,264,978<br>2,264,978<br>749,333 |                            | \$62,016,216<br>452,320<br>62,468,536<br>9,959,436 |
|   | 50,993,455   |                                     | 1,515,645                           |                            | 52,509,100   |
| Investments and Other Assets: Associated organizations Goodwill, net of amortization  | 7,316,994  |                                     | 368,414                             |                            | 7,316,994<br>368,414                               |
| Subsidiary  | 774,404<br>8,091,398                               | 871,521<br>871,521                  | 368,414                             | (1,645,925)<br>(1,645,925) | 7,685,408  |
| Current Assets:  Cash and cash equivalents  Accounts receivable, less allowance for Energy of \$412,802 and   | 1,507,264  | 7,441                               | 17,889                              |                            | 1,532,594  |
| Propane of \$5,200<br>Material and supplies, at average co<br>Prepayments   | 4,267,360<br>407,186<br>106,845                    | 160,000                             | 185,159<br>63,649<br>7,800          | (170,782)                  | 4,441,737<br>470,835<br>114,645                    |
| • •   | 6,288,655  | 167,441                             | 274,497                             | (170,782)                  | 6,559,811  |
| Total   | \$65,373,508                                       | \$1,038,962                         | \$2,158,556                         | (\$1,816,707)              | \$66,754,319                                       |
| Members' Equities and Lia   | bilities   |                                     |                                     |                            |  |
| Members' and Stockholder's Equities: Memberships and capital Patronage capital and retained earnin Minority interests and other equities Accum other comprehensive income | 832,767  | \$1,379,000<br>(604,591)<br>258,470 | \$860,941<br>10,575                 | (\$2,239,941)<br>594,016   | \$0<br>24,931,487<br>1,091,237<br>(441,479)        |
| •   | 25,322,775   | 1,032,879                           | 871,516                             | (1,645,925)                | 25,581,245   |
| Long Term Debt  | 33,112,445   |                                     | 782,819                             | ***                        | 33,895,264   |
| Accumulated Postretirement Benefits   | 1,835,779  |                                     |                                     |                            | 1,835,779  |
| Current Liabilities: Accounts payable Short term borrowings Current portion of long term debt Consumer deposits   | 2,462,934<br>-<br>1,030,000<br>385,380             | 6,083                               | 193,386<br>220,835<br>90,000        | (10,782)<br>(160,000)      | 2,651,621<br>60,835<br>1,120,000<br>385,380        |
| Accrued expenses  | 302,021<br>4,180,335                               | 6,083                               | 504,221                             | (170,782)                  | 302,021<br>4,519,857                               |
| Consumer Advances for Construction  | 922,174  |                                     |                                     |                            | 922,174  |
| Total   | \$65,373,508                                       | \$1,038,962                         | \$2,158,556                         | (\$1,816,707)              | \$66,754,319                                       |

# Consolidating Statement of Revenue and Patronage Capital for the year ended December 31, 2008

|   | Energy       | Services    | Propane         | Eliminations | Consolidated |
|---|--------------|-------------|-----------------|--------------|--------------|
| Operating Revenues                        | \$36,715,091 |             | \$2,642,403     |              | \$39,357,494 |
| Operating Expenses:                       |              |             |                 |              |              |
| Cost of purchases                         | 29,125,693   |             | 1,901,165       |              | 31,026,858   |
| Distribution - operations                 | 1,282,390    |             | 321,723         |              | 1,604,113    |
| Distribution - maintenance                | 1,483,213    |             |                 |              | 1,483,213    |
| Consumer accounts                         | 718,598      |             | 82,368          |              | 800,966      |
| Customer service and information          | 134,883      |             |                 |              | 134,883      |
| Sales                                     | 5,301        |             |                 |              | 5,301        |
| Administrative and general                | 860,421      | 7,499       | 94,311          |              | 962,231      |
| Depreciation, excluding \$130,724 char    | ged          |             |                 |              |              |
| to clearing accounts                      | 1,793,305    |             | 103,305         |              | 1,896,610    |
| Taxes                                     | 34,608       |             | 20,342          |              | 54,950       |
| Other                                     | 3,779        |             |                 |              | 3,779        |
|   | 35,442,191   | 7,499       | 2,523,214       |              | 37,972,904   |
| Operating Margins before Interest Charg   | g 1,272,900  | (7,499)     | 119,189         |              | 1,384,590    |
| Interest Charges:                         |              |             |                 |              |              |
| Interest on long term debt                | 1,669,016    |             | 59,369          |              | 1,728,385    |
| Other interest                            | 32,330       |             |                 |              | 32,330       |
|   | 1,701,346    |             | 59,369          |              | 1,760,715    |
| Operating Margins after Interest Charge   | s(428,446)   | (7,499)     | 59,820          |              | (376,125)    |
| Patronage Capital assigned from:          |              |             |                 |              |              |
| East Kentucky Power Cooperative           | 350,180      |             |                 |              | 350,180      |
| Other organizations                       | 98,238       |             |                 |              | 98,238       |
| <u> </u>                                  | 448,418      |             |                 |              | 448,418      |
| Nonoperating Margins:                     |              |             |                 |              |              |
| Interest income                           | 76,081       | 14,426      | 12              |              | 90,519       |
|   | (5,814)      | 60,022      | 190             | (126,971)    | (72,573)     |
| Subsidiary and others                     | 70,267       | 74,448      | 202             | (126,971)    | 17,946       |
| Net Margins                               | 90,239       | 66,949      | 60,022          | (126,971)    | 90,239       |
| Patronage Capital - beginning of year     | 24,931,487   | (604,591)   | 10,575          | 594,016      | 24,931,487   |
| Retirements of capital credits and others | (420,095)    | (15,322)    |                 | 15,322       | (420,095)    |
| Patronage Capital - end of year           | \$24,601,631 | (\$552,964) | <u>\$70,597</u> | \$482,367    | \$24,601,631 |

# Consolidating Statement of Revenue and Patronage Capital for the year ended December 31, 2007

|   | Energy              | Services    | Propane     | Eliminations   | Consolidated        |
|---|---------------------|-------------|-------------|--|---------------------|
| Operating Revenues                        | \$35,483,826        |             | \$2,075,505 |  | \$37,559,331        |
| Operating Expenses:                       | •                   |             |             |  |                     |
| Cost of purchases                         | 27,337,041          |             | 1,424,051   |  | 28,761,092          |
| Distribution - operations                 | 1,144,890           |             | 300,238     |  | 1,445,128           |
| Distribution - maintenance                | 1,173,883           |             |             |  | 1,173,883           |
| Consumer accounts                         | 771,844             |             | 66,771      |  | 838,615             |
| Customer service and information          | 132,324             |             |             |  | 132,324             |
| Sales                                     | 5,794               |             |             |  | 5,794               |
| Administrative and general                | 659,139             | 9,771       | 85,147      |  | 754,057             |
| Depreciation, excluding \$112,745 c       | harged              |             |             |  |                     |
| to clearing accounts                      | 1,717,103           |             | 106,167     |  | 1,823,270           |
| Taxes                                     | 34,584              |             | 13,818      |  | 48,402              |
| Other                                     | 12,008              |             |             |  | 12,008              |
|   | 32,988,610          | 9,771       | 1,996,192   |  | 34,994,573          |
| Operating Margins before Interest Ch      | a: 2,495,216        | (9,771)     | 79,313      |  | 2,564,758           |
| Interest Charges:                         |                     |             |             |  |                     |
| Interest on long term debt                | 1,690,545           |             | 81,897      |  | 1,772,442           |
| Other interest                            | 22,523              |             |             |  | 22,523              |
|   | 1,713,068           | <u></u>     | 81,897      | <del></del>  | 1,794,965           |
| Operating Margins after Interest Char     | r782,148            | (9,771)     | (2,584)     | -  | _(1,662,641)        |
| Patronage Capital assigned from:          |                     |             |             |  |                     |
| East Kentucky Power Cooperative           | -                   |             |             |  | 0                   |
| Other organizations                       | 62,993              |             |             | Marie de la Companya del Companya de la Companya de la Companya del Companya de la Companya de l | 62,993              |
|   | 62,993              |             |             |  | 62,993              |
| Nonoperating Margins:                     |                     |             |             |  |                     |
| Interest income                           | 215,989             | 7,786       | 11          |  | 223,786             |
| Subsidiary and others                     | 29,512              | 2,415       | 4,988       | (2,738)  | 34,177              |
|   | 245,501             | 10,201      | 4,999       | (2,738)  | 257,963             |
| Net Margins                               | 1,090,642           | 430         | 2,415       | (2,738)  | 1,090,749           |
| Patronage Capital - beginning of year     | 24,219,281          | (604,914)   | 8,160       | 596,754  | 24,219,281          |
| Retirements of capital credits and others | s (378,436)         | (107)       |             | TT   | (378,543)           |
| Patronage Capital - end of year           | <u>\$24,931,487</u> | (\$604,591) | \$10,575    | \$594,016  | <u>\$24,931,487</u> |

# Consolidating Statement of Cash Flows for the year ended December 31, 2008

|   | Energy            | Services | <u>Propane</u> | Eliminations | Consolidated      |
|---|-------------------|----------|----------------|--------------|-------------------|
| Cash Flows from Operating Activities: Net margins Adjustments to reconcile to net cash prov | \$90,239<br>ided  | \$66,949 | \$60,022       | (\$126,971)  | \$90,239          |
| by operating activities: Depreciation   |                   |          |                |              |                   |
| Charged to expense  | 1,793,305         |          | 103,305        |              | 1,896,610         |
| Charged to clearing accounts  | 130,724           |          | •              |              | 130,724           |
| Patronage capital credits   | (448,418)         |          |                |              | (448,418)         |
| (Profit) or loss in subsidiary  | (51,627)          | (60,022) |                | 111,649      | 0                 |
| Accumulated postretirement benefits   | 44,632            |          |                |              | 44,632            |
| Change in assets and liabilities:   |                   |          |                |              |                   |
| Receivables   | 61,953            |          | (88,188)       | (2,209)      | (28,444)          |
| Material and supplies   | 117,700           |          | (3,659)        |              | 114,041           |
| Prepayments   | (2,516)           | (a. 4)   | (450)          |              | (2,966)           |
| Payables  | 1,302,469         | (317)    | 63,743         | 2,209        | 1,368,104         |
| Consumer deposits   | (6,985)           |          |                |              | (6,985)           |
| Accrued expenses  Consumer advances for construction  | 6,208<br>(18,038) |          |                |              | 6,208<br>(18,038) |
| Consumer advances for construction  | 3,019,646         | 6,610    | 134,773        | (15,322)     | 3,145,707         |
|   | 3,013,010         |          |                | (13,322)     |                   |
| Cash Flows from Investing Activities:   |                   |          |                |              |                   |
| Plant additions   | (2,818,653)       |          | (11,206)       |              | (2,829,859)       |
| Salvage, net of removal costs   | (191,223)         |          |                |              | (191,223)         |
| Other investments, net  | (130,442)         | (10,000) | ·              |              | (140,442)         |
|   | (3,140,319)       | (10,000) | (11,206)       |              | (3,161,525)       |
| Cook Elever from Eineneine Activities   |                   |          |                |              |                   |
| Cash Flows from Financing Activities: Other equities  | 118,062           |          |                | 15,322       | 133,384           |
| Additional long term borrowings   | 2,000,000         |          |                | 13,322       | 2,000,000         |
| Short term borrowings (repayments)  | 2,000,000         |          | (5,835)        |              | (5,835)           |
| Payments on long term debt  | (1,062,667)       |          | (92,560)       |              | (1,155,227)       |
| Retirement of patronage capital   | (420,095)         |          | (= -,- = -,    |              | (420,095)         |
| Invest in cushion of credit   | 297               |          |                |              | 297               |
|   | 635,597           |          | (98,395)       | 15,322       | 552,524           |
| Nét increase in cash  | 514,924           | (3,390)  | 25,172         |              | 536,706           |
| Cash and cash equivalents - beginning   | 1,507,264         | 7,441    | 17,889         |              | 1,532,594         |
| Cash and cash equivalents - end   | \$2,022,188       | \$4,051  | \$43,061       |              | \$2,069,300       |
| Supplemental cash flows information:<br>Interest paid on long term debt                     | \$1,676,088       |          | \$59,369       |              | \$1,735,457       |

# Consolidating Statement of Cash Flows for the year ended December 31, 2007

|   | Energy      | Services | <u>Propane</u> | Eliminations | Consolidated |
|---|-------------|----------|----------------|--------------|--------------|
| Cash Flows from Operating Activities:                                   |             |          |                |              |              |
| Net margins   | \$1,090,642 | \$430    | \$2,415        | (\$2,845)    | \$1,090,642  |
| Adjustments to reconcile to net cash pr<br>by operating activities:     | ovided      |          |                |              |              |
| Depreciation  |             |          |                |              |              |
| Charged to expense  | 1,717,103   |          | 106,167        |              | 1,823,270    |
| Charged to clearing accounts  | 124,111     |          |                |              | 124,111      |
| Patronage capital credits   | (62,993)    |          |                |              | (62,993)     |
| (Profit) or loss in subsidiary  | (430)       | (2,415)  |                | 2,845        | 0            |
| Accumulated postretirement benefits                                     | (16,499)    |          |                |              | (16,499)     |
| Change in assets and liabilities:                                       |             |          |                |              |              |
| Receivables   | (1,114,253) |          | (44,104)       | 4,708        | (1,153,649)  |
| Material and supplies   | 63,243      |          | (3,507)        |              | 59,736       |
| Prepayments   | (2,663)     |          | 1,425          |              | (1,238)      |
| Payables  | 92,838      | (4,703)  | 92,830         | (4,708)      | 176,257      |
| Consumer deposits   | 14,630      |          |                |              | 14,630       |
| Accrued expenses  | (13,182)    |          |                |              | (13,182)     |
| Consumer advances for construction                                      | (8,635)     |          |                |              | (8,635)      |
|   | 1,883,912   | (6,688)  | 155,226        | T            | 2,032,450    |
|   |             |          |                |              |              |
| Cash Flows from Investing Activities:                                   |             |          |                |              |              |
| Plant additions   | (3,770,946) |          | (112,383)      |              | (3,883,329)  |
| Salvage, net of removal costs   | (236,795)   |          |                |              | (236,795)    |
| Other investments, net  | 67,288      |          |                |              | 67,288       |
|   | (3,940,454) |          | (112,383)      |              | (4,052,837)  |
|   |             |          |                |              |              |
| Cash Flows from Financing Activities:                                   | 101 500     |          |                |              |              |
| Other equities  | 124,560     |          |                |              | 124,560      |
| Additional long term borrowings   | -           |          | 00.5           |              | 0            |
| Short term borrowings (repayments)                                      | (071.525)   |          | 835            |              | 835          |
| Payments on long term debt  | (971,535)   |          | (81,469)       |              | (1,053,004)  |
| Retirement of patronage capital   | (378,436)   |          |                |              | (378,436)    |
| Invest in cushion of credit   | 756,345     |          | (00, (2.4)     |              | 756,345      |
| -   | (469,066)   |          | (80,634)       |              | (549,700)    |
| Net increase in cash  | (2,525,608) | (6,688)  | (37,791)       |              | (2,570,087)  |
| Cash and cash equivalents - beginning                                   | 4,032,872   | 14,129   | 55,680         |              | 4,102,681    |
| Cash and cash equivalents - end,  | \$1,507,264 | \$7,441  | \$17,889       |              | \$1,532,594  |
| Supplemental cash flows information:<br>Interest paid on long term debt | \$1,689,021 |          | \$81,897       |              | \$1,770,918  |

## ALAN M. ZUMSTEIN CERTIFIED PUBLIC ACCOUNTANT

1032 CHETFORD DRIVE LEXINGTON, KENTUCKY 40509 (859) 264-7147

> To the Board of Directors Shelby Energy Cooperative

#### MEMBER:

- · AMERICAN INSTITUTE OF CPA'S
- · INDIANA SOCIETY OF CPA'S
- · KENTUCKY SOCIETY OF CPA'S
- AICPA DIVISION FOR FIRMS
- TENNESSEE STATE BOARD OF ACCOUNTANCY

I have audited the financial statements of Shelby Energy Cooperative for the year ended December 31, 2008, and have issued my report thereon dated March 10, 2009. I conducted my audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and 7 CFR Part 1773, Policy on audits of the Rural Utilities Service (RUS) Borrowers. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing my audit of the financial statements of Shelby Energy for the year ended December 31, 2008, I considered its internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weakness. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting that I consider to be a material weakness.

7 CFR Part 1773.33 requires comments on specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions and other additional matters. I have grouped my comments accordingly. In addition to obtaining reasonable assurance about whether the financial statements are free from material misstatements, at your request, I performed tests of specific aspects of the internal control over financial reporting, of compliance with specific RUS loan and security instrument provisions and of additional matters. The specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and additional matters tested include, among other things, the accounting procedures and records, material control, compliance with specific RUS loan and security instrument provisions set forth in 7 CFR Part 1773.33(d)(1) related transactions, depreciation rates, a schedule of deferred debits and credits and a schedule of investments, upon which I express an opinion. In addition, my audit of the financial statements also included the procedures specified in 7 CFR Part 1773.38-.45. My Objective was not to provide an opinion on these specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, or additional matters, and accordingly, I express no opinion thereon.

No reports, other than my independent auditor's report, and my independent auditor's report on internal control over financial reporting and compliance and other matters, all dated March 10, 2009, or summary of recommendations related to my audit have been furnished to management.

To the Board of Directors Shelby Energy Cooperative Page - 2

My comments on specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions and other additional matters as required by 7 CFR Part 1773.33 are presented below.

### Comments on Certain Specific Aspects of the Internal Control Over Financial Reporting

I noted no matters regarding Shelby Energy's internal control over financial reporting and its operation that I consider to be a material weakness as previously defined with respect to:

- The accounting procedures and records;
- the process for accumulating and recording labor, material and overhead costs, and the distribution of these costs to construction, retirement, and maintenance and other expense accounts, and;
- the material controls.

#### Comments on Compliance with Specific RUS Loan and Security Instrument Provisions

At your request, I have performed the procedures enumerated below with respect to compliance with certain provisions of laws, regulations, and contracts. The procedures I performed are summarized as follows:

- Procedures performed with respect to the requirement for a borrower to obtain written approval of the mortgagee to enter into any contract for the operation or maintenance of property, or for the use of mortgaged property by others for the year ended December 31, 2008, of Shelby Energy.
  - Obtained and read a borrower prepared schedule of new written contracts entered into during the year for the operation or maintenance of its property, or for the use of its property by others as defined in 1773.33(e)(1)(i).
  - 2. Reviewed Board of Director minutes to ascertain whether board-approved written contracts are included in the borrower-prepared schedule.
  - 3. Noted written RUS approval was not obtained by the borrower for all contracts listed. Shelby Energy's management informed me that RUS approval was not required as the contracts listed related to operation or maintenance entered into during the normal course of business.
- Procedures performed with respect to the requirement to submit RUS Form 7 to RUS:
  - 1. Agreed amounts reported in RUS Form 7 to Shelby Energy's records as of December 31, 2008.

The results of my tests indicate that, with respect to the items tested, Shelby Energy complied in all material respects, with the specific RUS loan and security instrument provisions referred to below. With respect to items not tested, nothing came to my attention that caused me to believe that Shelby Energy had not complied, in all material respects, with those provisions. The specific provisions tested, as well as any exceptions noted, include the requirements that:

• The borrower has obtained written approval of RUS to enter into any contract for the operation and maintenance of all or any part of property, for the use of mortgaged property by others as defined in 1773.33(d)(1)(i); and,

To the Board of Directors Shelby Energy Cooperative Page - 3

• The borrower has submitted its RUS Form 7 to RUS and the Form 7, Financial and Statistical Report, as of December 31, 2008, represented by the borrower as having been submitted to RUS appears to be in agreement with its audited records in all material respects.

### **Comments on Other Additional Matters**

In connection with my audit of Shelby Energy, nothing come to my attention that caused me to believe that Shelby Energy failed to comply with respect to:

- The reconciliation of continuing property records to controlling general ledger plant accounts addressed at 7 CFR Part 1773.33(c)(1);
- The clearing of the construction accounts and the accrual of depreciation on completed construction addressed at 7 CFR Part 1773.33(c)(2);
- The retirement of plant addressed at 7 CFR 1773.33(c)(3) and (4);
- Approval of the sale, lease, or transfer of capital assets and disposition of proceeds for the sale or lease of plant, material, or scrap addressed at 7 CFR Part 1773.33(c)(5);
- The disclosure of material related party transactions, in accordance with Statement of Financial Accounting Standard No. 57, Related party Transactions, for the year ended December 31, 2008, in the financial statements referenced in the first paragraph of this report addressed at 7 CFR Part 1773.33(f);
- The depreciation rates addressed at 7 CFR 1773.33(g);
- The detailed schedule of deferred debits and deferred credits; and,
- The detailed schedule of investments.

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The detailed schedule of deferred debits and deferred credits required by 7 CFR Part 1773(h) and provided below is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in my audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Shelby Energy is a 75% owner of a subsidiary corporation that is engaged in the distributions sales of propane gas through a limited liability corporation (LLC) in and around the areas in which Shelby Energy provides electric service. The initial investment was \$7,500. The investment is comprised of the following:

|                            | Investment  | <b>Profits</b> |
|----------------------------|-------------|----------------|
| Balance, beginning of year | \$1,379,000 | (\$604,596)    |
| Activity for 2008          |             | 51,632         |
| Balance, end of year       | \$1,379,000 | (\$552,964)    |

To the Board of Directors Shelby Energy Cooperative Page - 4

The deferred credits are as follows:

Consumer advances for construction

\$904,136

This report is intended solely for the information and use of the Board of Directors, management, RUS, and supplemental lenders and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Alan M. Zumstein, CPA

March 10, 2009

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Exhibit O Page 1 of 1 Witness: Jim Adkins

## SHELBY ENERGY COOPERATIVE CASE NO. 2009-00410

### **Computer Software Programs**

Shelby Energy has used Microsoft Excel and Microsoft Word in the preparations of this Application.

Exhibit P page 1 of / Witness: Debbie Martin

### Shelby Energy Cooperative Case No. 2009-00410 July 31, 2009

### **Annual Meeting Information**

The most recent Shelby Energy Cooperative annual meeting was held May 12, 2009. The minutes of that annual meeting are attached, along with the insert in the Kentucky Living Magazine, describing the annual meeting.

Data for the last five (5) annual meetings are as follows:

| 18 |             | Members          | Members       |              |
|----|-------------|------------------|---------------|--------------|
| 19 | <u>Year</u> | <u>Attending</u> | <b>Voting</b> | <u>Cost</u>  |
| 20 |             |                  |               |              |
| 21 | 2008        | 254              | 1,375         | \$<br>14,132 |
| 22 | 2007        | 226              | 1,685         | \$<br>21,420 |
| 23 | 2006        | 249              | 1,259         | \$<br>23,433 |
| 24 | 2005        | 283              | 1,705         | \$<br>18,950 |
| 25 | 2004        | 281              | 1,776         | \$<br>21,342 |





Power Partners Completing your energy picture



n these uncertain economic times it pays to have a partner.
And you need that partner to have good qualities:
qualities like reliability, helpfulness, knowledge, experience, perspective, and practicality.

That's a lot to ask, but in the past year that's exactly what Shelby Energy Cooperative has been working hard to deliver to you.

Last summer's gasoline price roller coaster and last fall's collapse of the world credit markets forced all of us to reassess our financial plans. All of your co-op's actions this past year have been taken with the awareness that family and business budgets in our community are especially sensitive.

Shelby Energy is pleased to report sound business operations for the year 2008 and continuing into 2009. Your local electric co-op supports our community by making its top priority to provide each of its members with the best combination possible of reliability and affordability in electric

service. Focusing on this goal builds a powerful partnership between you and your electric co-op.

This annual report provides the numbers showing Shelby Energy Co-op's financial soundness, and highlights the top activities that have helped make you and your electric co-op strong power partners.

# C Helpfulness

A key to controlling energy costs is making sure all of us are using electricity as efficiently as possible. Shelby Energy has a long track record of working with members on spending energy dollars in the most productive way.

Your co-op energy advisors are available to visit homes and businesses in our community, helping reduce energy waste and using the latest technology to put resources to their wisest uses.

We offer a number of other ways to keep energy costs as low and effective as possible, including home weatherization programs, and the use of heat pumps and other equipment.

Shelby Energy has also led the way in promoting compact fluorescent light bulbs, one of the most highprofile ways to help people save on electricity costs. These new lights cost more than regular incandescent bulbs, but they use one-fourth the electricity to produce the same amount of light, and they last 10 times as long. That's a solution that can help the environment, and save you money. Your local co-op has been part of a 5-year-old statewide electric program to give away these "CFLs" at co-op annual meetings. Since 2003 we have distributed more than

8,000 CFLs to our member-owners. That program makes us part of the statewide effort that has distributed more than 570,000 CFLs, saving Kentuckians more than \$7 million just on lighting costs.

And Shelby Energy helps keep employees and members of the community safe and healthy with constant attention to safety. Through speeches, demonstrations, publications, and a variety of programs and projects, your electric co-op lets people know that electric safety needs to stay a top-of-the-mind issue.

### On the Cover:

Shelby Energy Cooperative members and employees complete the picture of Power Partners working together to assure reliable and affordable electricity for our community. Shown here are Frank Stewart of Simpsonville, a member of Shelby Energy Co-op; Becky Jennings, customer service and billing representative for Shelby Energy Co-op; and Keith Miller, line supervisor with Shelby Energy Co-op. Photo: Tim Webb

# **C** Reliability

You want the lights to come on when you flip the switch.

Sounds simple, but it involves working with our power supplier to make sure there will be enough power generation and transmission lines today and into the future.

It means keeping electric distribution wires and poles in good condition.

It means having a crew of dedicated lineworkers to keep that hardware functioning day to day, and immediately after wind, ice, or snow storms.

And it means finding, developing, and using the latest electronic and systems management technology to reduce not just the number of power outages, but how long they last. Not so long ago, power outages of one or two seconds didn't concern many people. Today, interruptions of a fraction of a second can damage sensitive electronic equipment. Your coop uses several techniques to meet these new requirements of its customer members.

# Knowledge and Experience

Shelby Energy hires qualified employees, making sure they are kept up-to-date on the very best practices and techniques in their areas of expertise, from management, to accounting, to operations, to engineering, or any of the other disciplines needed to run a world-class business as important, complex, and cutting-edge as an electric utility.

Your co-op also draws on connections around the state and around the world, and back in time through the decades. For more than 70 years, your local electric co-op has been providing reliable, consumer-owned power for the people and businesses of our community. Over those decades, other electric co-ops around the state and nation have worked together to form strong organizations that provide highlevel resources.

At the state level, Shelby Energy works with the Kentucky Association of Electric Cooperatives to coordinate employee training and safety programs. KAEC also represents your energy interests in

Frankfort, making sure that laws and regulations help keep your electricity reliable and affordable.

On an even larger scale, Shelby Energy draws on expertise from across the country and even the world, as a member of the National Rural Electric Cooperative Association. That national connection puts your co-op in the driver's seat in such high-level areas as financing for important power supply projects, watching out for your interests in Congress, and tapping scientific and engineering expertise in areas such as

the latest high-tech energy-efficiency research, and knowledge about such weighty environmental issues as global climate change.

Shelby Energy shares all that background with you, making sure you have the information you need through the regular co-op annual meeting, in the pages of *Kentucky Living* magazine, and on the Web site, www.shelbyenergy.com.

Your co-op's knowledge and experience provide you with a powerful partner for innovation and excellence in your electric service.

# Perspective and Practicality

Shelby Energy Cooperative's unique business structure provides you with a stable, level-headed partner that stays focused on the top priority of making sure you will continue to have reliable and affordable electricity when you want it.

The local, member/consumer-owned, not-for-profit nature of your co-op knows what's best for the people in our community because it's made up of you and your neighbors.

Several years ago, when the Enron Corporation led the charge for so-called electricity deregulation, Kentucky electric co-ops resisted the pie-in-the-sky promises and successfully opposed it in the legislature. Now our state enjoys some of the lowest rates in the nation, while electricity rates skyrocket in deregulated states.

This year, when calls for drastic action on global warming sounded from Congress and the nation's media, Kentucky's electric co-ops chose to take the longer view. In the September issue of *Kentucky Living*, Shelby Energy urged its members to contact their elected officials in Washington,

and simply ask them how they planned to keep your electricity reliable and affordable. Thousands of you responded with postcards or e-mails, and Kentucky senators and representatives heard your message: environmental concerns need to be balanced with energy realities. These issues raise extremely difficult questions, and public policy discussions will continue. As they develop, your co-op will keep you informed.

The deregulation and climate change issues provide just two examples of the kind of hometown wisdom that comes from local people owning the utility and operating it for service rather than for profit. It's another, and fundamental, way you and Shelby Energy Cooperative make perfect power partners.

### Power Partner money-saving energy tips

Shelby Energy offers suggestions for you to save money by using electricity as efficiently as possible. Get in touch with your co-op for customized energy and money saving ideas for your home or business. In the meantime, here's a list of tips to reduce your energy costs throughout your house.

### Bright idea

 Replace incandescent light bulbs with compact fluorescent bulbs.

#### Take temperatures

- Set your thermostat at 78 degrees in the summer and 68 degrees in the winter.
- Set the thermostat in your refrigerator at 35 to 40 degrees F. Set the freezer at 0 to 5 degrees F.
- Set the thermostat on your water heater at 115 degrees F.

#### Keep the outside out

• Insulation is key. Especially check for proper insulation in your attic, outside walls, and floors above unheated spaces, like

basements. The energy experts at your local electric cooperative can tell you exactly how much insulation all these areas require.

- Replace old, single-pane windows with new, energy-efficient double-pane windows.
- Install storm doors and windows. If you cannot afford storm windows, use plastic sheeting to act as temporary storm windows.
- Seal cracks around window frames and door jambs with caulk.
- Install weatherstripping around windows and doors.

#### A warm coat

• Insulate your water heater with a water heater blanket if located in an unconditioned area such as a garage or basement.

#### Tune it up

- Change or clean the filter(s) on your forced-air heating and cooling system monthly.
- Check ductwork to ensure it's properly insulated and that there are no air leaks or gaps.

# **Your Board of Directors**





Debbie Martin
President and CEO



George N. Busey Chairman



Ashley Chilton Vice Chairman



Roger G. Taylor Jr. Secretary-Treasurer



Joe Butler



Randy Stevens



R. Wayne Stratton



Donald T. Prather

Attorney

Official Business Meeting Agenda

## ANNUAL MEETING OF MEMBERS

Shelby Energy Cooperative

WHERE:

Henry County High School

WHEN:

Thursday, June 25 Registration Time: **4:30 P.M** Business Meeting Time: **6:30 P.M**.

The annual membership meeting of this co-op organizes to take action on the following matters:

1. Report on the number of members present in person or by valid proxy in order to determine the existence of a quorum

2. Reading of the notice of the meeting and proof of due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be

3. Reading of unapproved meeting of the previous meeting of the members and the taking of necessary action thereon

4. Presentation and consideration of reports of officers, trustees, and committees

5. Report on the election of board members

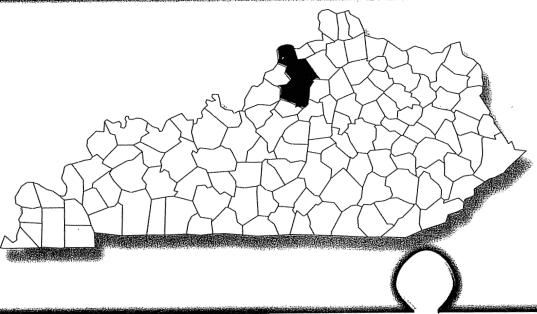
District II George N. Busey
District III Randy Stevens

6. Unfinished business

7. New business

8. Adjournment

# Statistical Results



# 

### MEMBERS SERVED IN 2008

| Anderson  | 6     |
|-----------|-------|
| Carroll   | 641   |
| Franklin  | 6     |
| Henry     |       |
| Jefferson | 9     |
| Oldham    | 44    |
| Owen      |       |
| Shelby    | 5.434 |
| Spencer   | 37    |
| Trimble   | 2.580 |
| Total     |       |
| I Uta1    |       |

| Accounts Billed 2008  | 15,283 |
|---|--------|
| AVERAGE KILOWATT-HOUR US<br>(Residential per month)<br>2008 |        |
| MILES OF LINE   | 2,078  |
| Consumers Per Mile  | 7.38   |

# Financial Results



### STATEMENT OF OPERATIONS

For the Year Ending December 31, 2008

| Operating Revenue\$36,715,091  |
|--------------------------------|
| Operating Expense              |
| Purchased Power\$29,125,693    |
| Operating System4,484,806      |
| Depreciation1,793,305          |
| Interest on Loans1,669,016     |
| Other Deductions70,718         |
| Total Cost of Electric Service |
| \$37,143,538                   |
|                                |
| Patronage Capital              |
| and Operating Margins(428,447) |
| Non-Operating Margins70,268    |
| Capital Credits Assigned       |
| From Other Co-ops448,418       |
| Patronage Capital              |
| and Margins90,239              |

### BALANCE SHEET

For the Year Ending December 31, 2008

### ASSETS

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| <b>建建筑</b>  | <b>F188</b> |      | 777  |             | -             |       | ж.    | 788 | 88 B | r.  | 37  |         |       |      | 32    |    | 7    | 4    | <i>-</i>     | 7,5  | я |
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|           |             |              |    |
| Total Ass | ets         | .\$67,427,63 | 50 |

#### HABITATES

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| WHI I  | 9-11        | MINISTER OF                               | THE RESERVE   | 2027          | 9.00         | . 200        | -           |          |           |          |       | 1 8 1/2 | 10.459   |       |           |           |           |           |
| 22.20  | T 4504      |   |               |               |              |              |             | 10.54%   | 9         |          |       |         | Mary Shi |       |           | 7A I      |           | 11.50     |
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Notes and Accounts Payable......3,765,403

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# 2009 Annuci Neeing

Thursday, June 25

Henry County High School

New Castle, KY

Registration: 4:30 p.m.

Business meeting: 6:30 p.m.



Featured Entertainment
The Garry Polston
Family



Caricaturist Denny Whalen



- door/cash prizes
- entertainment
- health screenings
- caricaturist
- food bucks
- safety demonstrations



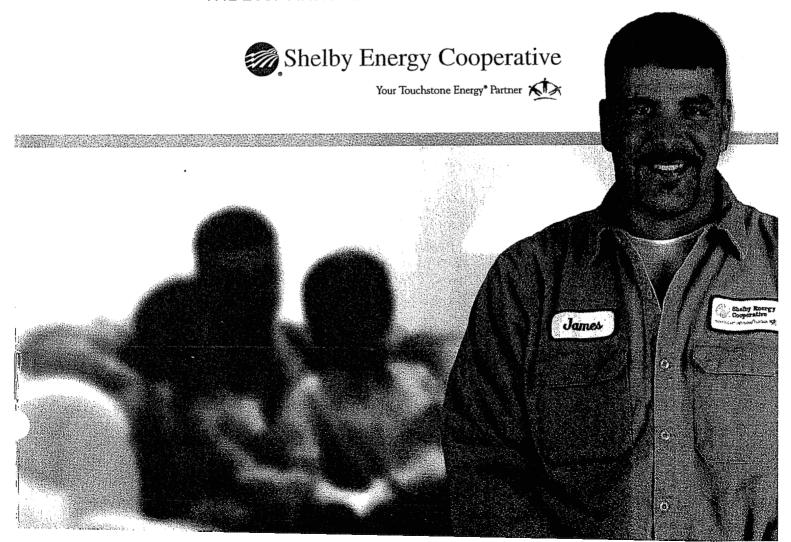
Free!
Energysaving
lightbulbs

for members who attend!



# **CO-OP RELIABILITY**

THE 2007 ANNUAL REPORT OF SHELBY ENERGY



### CO-OP RELIABILITY

### A MESSAGE FROM YOUR CEO & BOARD CHAIR

The word reliability has a couple different meanings at Shelby Energy Cooperative.

It means keeping your electricity on.

That might call for sending a crew of lineworkers out in a thunderstorm or blizzard in the middle of the night to repair downed wires as quickly as possible. Or working on ways to avoid power interruptions of even a few milliseconds, to protect the newest, modern electronics used in homes and businesses today.

It also requires looking into the future, by building the power plants and transmission lines that will be needed to ensure you'll have all the electricity you want 20 and 30 years from now.

A less technical definition of reliability refers to someone you can count on in all sorts of situations. In other words, a good neighbor.

Shelby Energy strives to meet that meaning of a helpful, well-informed energy neighbor as well.

We can offer expert advice on how to use energy efficiently. As a local, member-owned cooperative, Shelby Energy stays involved in a wide range of community support activities. From education scholarships, to membership in charitable organizations, to economic development, Shelby Energy takes pride in its role of helping improve our quality of life.

We're pleased to provide you with this annual report on another successful year for Shelby Energy Cooperative. In describing the activities and results of 2007, it makes sense to view it as a year of continued reliability.

Whether it's keeping the lights on or supporting a community activity, you can count on the reliability of Shelby Energy Cooperative.



#### On the cover:

Helping keep your electricity safe and reliable are Shelby Energy Co-op line technician crew leader Chip Wheeler (top) and James Crume, apprentice lineman.



Photos by: Jim Battles

### RELIABLE ELECTRICITY

In 2007, the average member of your cooperative had electricity 99.9789 percent of the time.

That many decimal places make that number hard to imagine. What it adds up to is that electricity flowed to area homes and businesses pretty much all the time.

Shelby Energy takes enormous pride in that record of reliability.

And even that incredible record is improving. In 2007, Shelby Energy took steps to further reduce outage time.

Co-op work focused on quick response to storm outages last year. And it continued right-of-way vegetation clearing programs to keep tree limbs and other brush from interfering with power lines.

But these days, some of the most significant improvements in the delivery of electricity to you comes in high-technology ways we could hardly have imagined even 10 years ago.

Electric distribution systems have been designed so that, to some extent, they can repair themselves after routine disturbances. For example, when a bird or squirrel comes in contact with a bare wire, electronic switches sense the disturbance and respond in milliseconds.

You wouldn't even notice that if you were reading a book under your living room lamps.

If you were typing on your computer, however, that fraction of a second could cost you an hour of work, as it quickly shut down then rebooted. That's in addition to the irritation of having to reset the flashing digital clocks in the house.

Shelby Energy recognizes that these high-tech realities raise the standards of reliability. Part of Shelby's work plan has been to find ways of reducing outages that last even a fraction of a second.

To avoid interference from animals, we've added barriers in critical areas. Transformers are being redesigned and even poles reconfigured, to reduce the chances for even brief outages.

For especially precise and critical power needs that can't risk any length of outage, Shelby Energy works with home and business owners on different ways to protect their sensitive appliances and equipment.

As technology gets more sophisticated, so does Shelby Energy, raising the standards for reliable electricity.



# RELIABLE VALUE

Costs are rising in many industries, especially in the energy business or any endeavor that relies on oil, which has seen huge cost increases in the past year.

Shelby Energy has been affected by these cost increases as well. Shelby Energy makes every effort to keep its business operations effective and efficient, to provide you the most affordable and reliable electric service, at the lowest possible cost. As you know, there are times when cost increases must be passed along to the members, to make sure the co-op operates from a sound financial position.

You can rely on us to keep cost increases to the bare minimum required to maintain the high value of electric service you rely on.

Shelby Energy also works to make sure you can depend on that value of electricity for years to come. Demand for electricity is growing at a rate faster than new power plants are being built. The new power plants that will be required will be expensive. You can rely on Shelby Energy being on the job to make sure new electricity generation in the coming years will be as economical as possible.

### **ENVIRONMENTALLY** RELIABLE

One of the biggest energy stories in the news during the past year has been concerns about emissions of greenhouse gases being blamed for global warming.

Shelby Energy brings special expertise to this large and complex energy and environmental issue. We participate in national organizations of scientists, engineers, and policy experts who pay special attention to climate change. They're working on several advanced, highly complex techniques and technologies that could actually reduce the amount of greenhouse gases being emitted in this country over the next 20 years.

One of those greenhouse gas reduction plans is not complicated at all, and all of us can do it in our homes and businesses. It's called using energy efficiently.

Energy efficiency has so much potential to be an important part of our energy future that experts have called it "the fifth fuel," in addition to the coal, natural gas, nuclear, and hydroelectric power supplying nearly all of our electricity.

Shelby Energy has a long history of working with its members to help them make the best use of their electric energy. We offer a number of programs that members use regularly, to reduce energy inefficiencies around the home and business.

One solution that combines efficiency and technology is the use of compact fluorescent bulbs. These new lights cost more than regular incandescent bulbs, but they use one-fourth the electricity to produce the same amount of light, and they last 10 times as long. That's a solution that can help the environment, and save you money. For those reasons, Shelby Energy Cooperative has been promoting compact fluorescent bulbs for years. In fact, since 2003 we have handed out nearly 5,000 free compact fluorescent bulbs to members attending the Shelby Energy Cooperative annual meeting. That promotion is part of a coordinated effort by electric co-ops all across Kentucky. In the past four years, Kentucky electric coops have distributed more than 400,000 compact fluorescent light bulbs, saving Kentuckians more than \$4 million, and reducing carbon dioxide emissions by more than 78,000 tons.

Environmental and energy concerns are one of the most important and pressing concerns of the day. Shelby Energy Cooperative is providing its members with reliable advice for analyzing and acting on the best course for our energy future.

### A RELIABLE **NEIGHBOR**

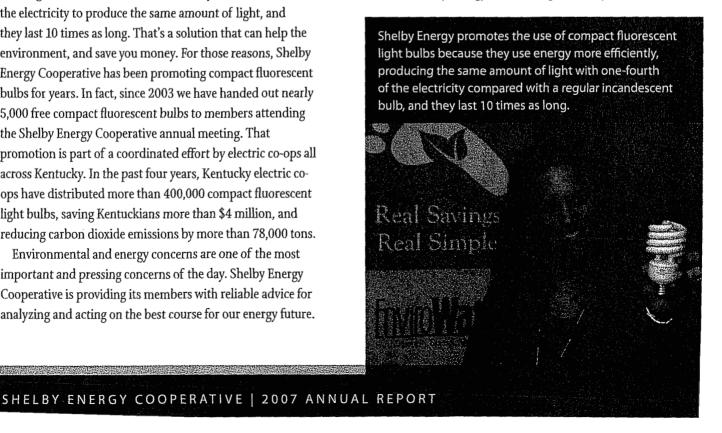
As a local, member-owned utility, Shelby Energy Cooperative values its role in our community.

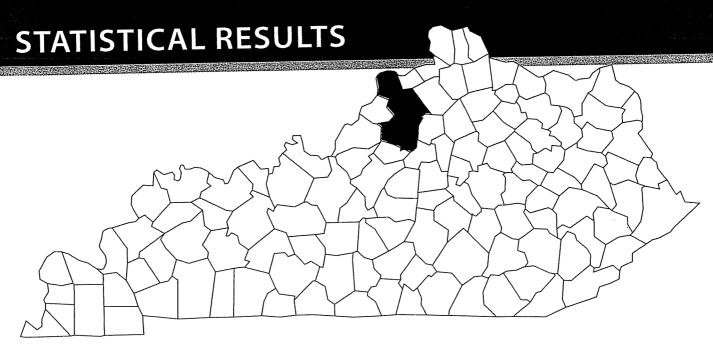
Our schools are among the most important foundations of the community, and we support their educational efforts in a number of ways. From electric safety demonstrations in classrooms, to participation in scholarship programs, to statewide involvement in college and university projects, Shelby Energy can be counted on to act on its commitment to education.

Shelby Energy is also actively involved in improving our local quality of life by being a part of our local economic development activities, working to enhance jobs and income in our community. Employees of Shelby Energy are active in boards, clubs, and civic groups all around the service territory.

One of the most visible ways this reliability can be seen is with Shelby Energy's annual meeting every summer. This meeting provides a rallying point for the progress and recognition of co-op and community activities. The important business of the co-op is conducted at this meeting, including reports on the co-op's financial position and board elections. It's also a fun event where families can come and spend time among their neighbors.

So whether it's an annual community business meeting or dependable electricity today and into the future, you can count on Shelby Energy. That's co-op reliability.

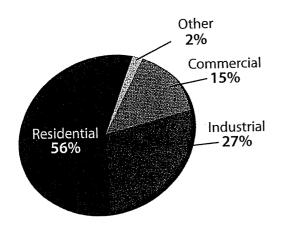




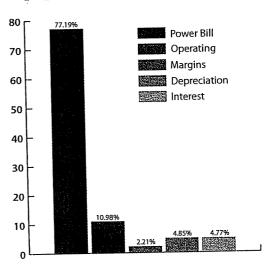
| Members Served in 2007 |       |
|------------------------|-------|
| Anderson               | 7     |
| Carroll                | 787   |
| Franklin               | 7     |
| Henry                  | 4,056 |
| Jefferson              | 11    |
| Oldham                 | 50    |
| Owen                   | 87    |
| Shelby                 |       |
| Spencer                | 47    |
| Trimble                | 3,207 |
| Total                  |       |

| Accounts Billed 2007   | 14,954 |
|--|--------|
| Average Kilowatt-hour use<br>(Residential per month)<br>2007 | 1,179  |
| Miles of Line<br>2007  | 2,050  |
| Consumers per Mile   | 7.3    |

### **REVENUE SOURCES**



### **MAJOR COSTS**



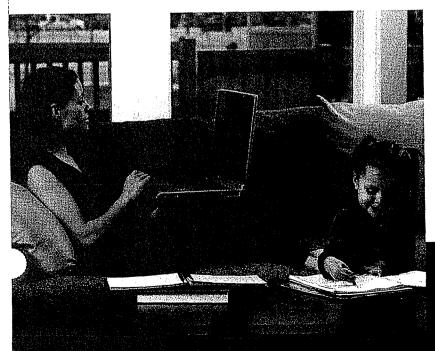
## FINANCIAL RESULTS

Statement of Operations
For the Year Ending December 31, 2007

| Operating Revenue & Patronage Capital \$35,483,826      |
|---|
| Operating Expense                                       |
| Purchased Power\$27,337,041                             |
| Operating System 3,887,873                              |
| Depreciation  |
| Interest on Loans                                       |
| Other Deductions69,115                                  |
| Total Cost of Electric Service\$34,701,678              |
| Patronage Capital & Operating Margins                   |
| Non-Operating Margins245,501                            |
| Capital Credits assigned from other Cooperatives 62,993 |
| Patronage Capital and Margins                           |

Balance Sheet For the Year Ending December 31, 2007

| Assets                                     |                    |
|--|--------------------|
| Total Utility Plant                        | \$60,203,558       |
| Less Depreciation                          | 9,210,103          |
| Net Utility Plant Book Value               |                    |
|  | <b>45.045.5</b> 70 |
| Non-Utility Property & Other Investments . |                    |
| Investments in Shelby Energy Services      |                    |
| Cash and Reserves                          | 1,507,264          |
| Owed to Co-op on Accounts and Notes        | 4,267,360          |
| Material in Inventory                      |                    |
| Deferred Debits and Other Assets           | 106,846            |
| Total Assets                               |                    |
| Liabilities                                |                    |
| Consumer Deposits                          | 385,380            |
| Membership and Other Equities              |                    |
| Long-Term Debt                             |                    |
| Notes and Accounts Payable                 |                    |
| Other Current and Accrued Liabilities      |                    |
| Other Non-Current Liabilities              |                    |
| Deferred Credits and Miscellaneous         |                    |
| Total Liabilities                          |                    |
| TOTAL PIANTIFICO                           |                    |



Whether it's keeping the lights on or supporting a community meeting, you can count on the reliability of Shelby Energy Cooperative.

Official Business Meeting Agenda

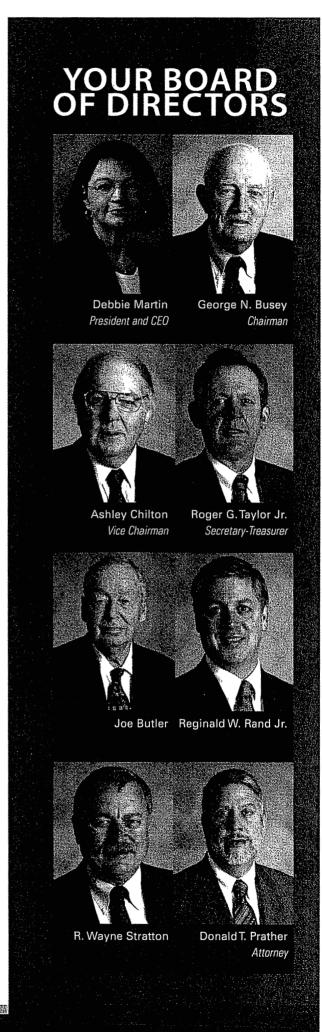
# ANNUAL MEETING OF MEMBERS

Shelby Energy Cooperative

| Where            | Bedford Elementary School |
|------------------|---------------------------|
| When             | Thursday, June 26         |
| Registration Tin | ne4:30 p.m.               |
| Meeting Time     | 6:30 p.m.                 |

The annual membership meeting of this co-op organizes to take action on the following matters:

- Report on the number of members present in person or by valid proxy in order to determine the existence of a quorum
- Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be
- 3. Reading of unapproved minutes of the previous meeting of the members and the taking of necessary action thereon
- Presentation and consideration of reports of officers, trustees, and committees
- 5. Report on the election of board members
- 6. Unfinished business
- 7. New business
- 8. Adjournment



# 2008 ANNUAL MEETING THURSDAY, JUNE 26

Bedford Elementary School Bedford, KY

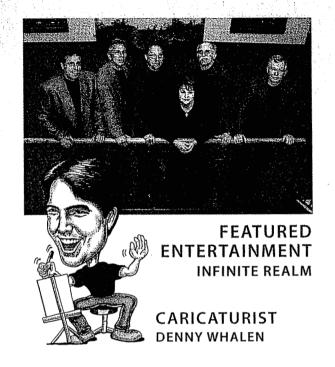
### Registration:

4:30 p.m.

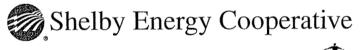
### **Business meeting:**

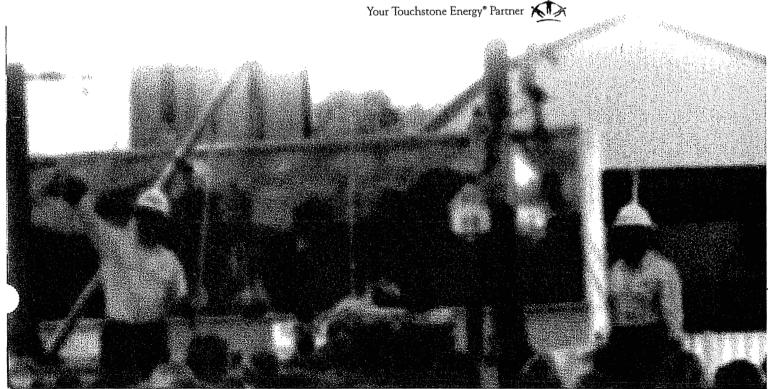
6:30 p.m.





free health screenings • food • prizes • caricatures • safety demos





#### BORROWER DESIGNATION USDA-RUS FINANCIAL AND STATISTICAL REPORT KY0030 PERIOD ENDED 08/2008 Part A. Statement of Operations Year-to-Date Year-to-Date ITEM Year-to-Date This Month Last Year This Year Budget (b) (c) (a) 24,481,433 3,078,378 23,535,853 24,539,003 Operating Revenue and Patronage Capital Power Production Expense 19,374,676 18,865,737 2,396,106 18,444,226 Cost of Purchased Power 0 n 0 Transmission Expense 84,099 772,603 730,288 869,958 Distribution Expense - Operation 963,798 133,161 834,977 1,026,911 Distribution Expense - Maintenance 507,048 481,980 523,673 63,896 Customer Accounts Expense 11,024 85,109 94,126 Customer Service and Informational Expense 88,767 8. 259 2,335 20,272 3,622 9. Sales Expense 83,391 548,745 484,879 448,080 10. Administrative and General Expense 2,771,935 21,725,088 21,057,008 22,389,714 11. Total Operation & Maintenance Expense (2 thru 10) 150,173 1,191,880 1,135,520 1,188,340 12. Depreciation and Amortization Expense 0 0 13. Tax Expense - Property & Gross Receipts 2,884 22,856 21,160 23,072 14. Tax Expense - Other 130,053 1,111,506 1,153,844 1,132,540 15. Interest on Long-Term Debt

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Part B. Data on Transmission and Distribution Plant

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|    | Tart B. Data on                   | 7,4,,0,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, |              |
|----|-----------------------------------|---|--------------|
|    | ITEM                              | Year-to-Date                            | Year-to-Date |
|    | •                                 | Last Year                               | This Year    |
|    |                                   | (a)                                     | (b)          |
| 1. | New Services Connected            | 249                                     | 158          |
| 2. | Services Retired                  | 25                                      | 19           |
| 3. | Total Services in Place           | 16,976                                  | 17,198       |
| 4  | Idle Services (Exclude Seasonals) | 1,912                                   | 1,969        |
| 5. | Miles Transmission                | 0.00                                    | 0.00         |
| 6. | Miles Distribution - Overhead     | 1,868.07                                | 1,877.12     |
| 7. | Miles Distribution - Underground  | 186.69                                  | 194.85       |
| 8. | Total Miles Energized (5+6+7)     | 2,054.76                                | 2,071.97     |

16. Interest Charged to Construction - Credit

19. Total Cost of Electric Service (11 thru 18)

23. Income (Loss) from Equity Investments

25. Generation and Transmission Capital Credits

28. Patronage Capital or Margins (20 thru 27)

26. Other Capital Credits and Patronage Dividends

21. Non Operating Margins - Interest

24. Non Operating Margins - Other

Extraordinary Items

20. Patronage Capital & Operating Margins (1 minus 19)

Allowance for Funds Used During Construction

17. Interest Expense - Other

18. Other Deductions

### USDA-RUS

### FINANCIAL AND STATISTICAL REPORT

BORROWER DESIGNATION

KY0030 PERIOD ENDED

| 08/2008  |            |  |            |
|--|------------|--|------------|
| Part C. Balance Sheet                                |            |  |            |
| ASSETS AND OTHER DEBITS                              |            | LIABILITIES AND OTHER CREDITS                        |            |
| Total Utility Plant in Service                       | 61,745,580 | 29. Memberships                                      | 0          |
| 2. Consturction Work in Progress                     | 205,221    | 30. Patronage Capital                                | 24,061,406 |
| 3. Total Utility Plant (1+2)                         | 61,950,802 | 31. Operating Margins - Prior Years                  | 93,068     |
| 4. Accum. Provision for Depreciation and Amort.      | 10,027,383 | 32. Operating Margins - Current Years                | -221,740   |
| 5. Net Utility Plant (3-4)                           | 51,923,419 | 33. Non-Operating Margins                            | 832,121    |
| 6. Non-Utility Property (Net)                        | 0          | 34. Other Margins and Equities                       | 436,902    |
| 7. Investments in Subsidiary Companies               | 775,824    | 35. Total Margins & Equities (29 thru 34)            | 25,201,757 |
| 8. Invest. In Assoc. Org Patronage Capital           | 6,569,722  | 36. Long-Term Debt - RUS (NET)                       | 14,569,220 |
| 9. Invest. In Assoc. Org Other - General Funds       | 0          | (Payments - Unapplied)                               | 0          |
| 10. Invest In Assoc. Org Other - Nongeneral Funds    | 703,922    | 37. Long-Term Debt - RUS - Econ. Devel. (Net)        | 0          |
| 11. Investments in Econnomic Development Projects    | 197,000    | 38. Long-Term Debt - FFB - RUS Guaranteed            | 15,936,082 |
| 12. Other Investments                                | 62,100     | 39. Long-Term Debt - Other - RUS Guaranteed          | 0          |
| 13. Special Funds                                    | 0          | 40. Long-Term Debt Other (Net)                       | 3,946,000  |
| 14. Total Other Property & Investments (6 thru 13)   | 8,308,569  | 41. Total Long-Term Debt (36 thru 40)                | 34,451,302 |
| 15. Cash - General Funds                             | 1,553,939  | 42. Obligations Under Capital Leases - Noncurrent    | 0          |
| 16. Cash - Construction Funds - Trustee              | 0          | 43. Accumulated Operating Provisions and Asset       |            |
| 17. Special Deposits                                 | 425        | Retirement Obligations                               | 1,866,098  |
| 18. Temporary Investments                            | 478,067    | 44 Total Other Noncurrent Liabilities (42+43)        | 1,866,098  |
| Notes Receivable (Net)                               | 0          | 45. Notes Payable                                    | 0          |
| 20 Accounts Receivable - Sales of Energy (Net)       | 3,134,336  | 46. Accounts Payable                                 | 2,560,343  |
| 21. Accounts Receivable - Other (Net)                | 171,938    | 47. Consumers Deposits                               | 382,580    |
| 22. Materials and Supplies - Electric & Other        | 333,614    | 48. Current Maturities Long-Term Debt                | 0          |
| 23. Prepayments                                      | 58,972     | 49. Current Maturities Long-Term Debt-Economic       |            |
| 24. Other Current and Accrued Assets                 | 11,774     | Development  | 0          |
| 25. Total Current and Accrued Assets (15 thru 24)    | 5,743,064  | 50. Current Maturities Capital Leases                | 0          |
| 26. Regulatory Assets                                | 0          | 51. Other Current and Accrued Liabilities            | 605,845    |
| 27. Other Deferred Debits                            | 0          | 52. Total Current & Accrued Liabilities (45 thru 51) | 3,548,768  |
| 28. Total Assets and Other Debits (5+14+25+ thru 27) | 65,975,052 | 53. Regulatory Liabilities                           | 0          |
|  |            | 54. Other Deferred Credits                           | 907,127    |

55. Total Liabilities and Other Credits (35+41+44+52 thru

54)

65,975,052

# USDA-RUS FINANCIAL AND STATISTICAL REPORT KY0030 PERIOD ENDED 08/2008

|     | ITEM   | Statement of Operati<br>Year-to-Date | Year-to-Date | Year-to-Date |            |
|-----|--|--------------------------------------|--------------|--------------|------------|
|     | (TEW)  | Last Year                            | This Year    | Budget       | This Month |
|     |  | (a)                                  | (b)          | (c)          | (d)        |
| 1.  | Operating Revenue and Patronage Capital            | 26,412,616                           | 27,493,358   | 27,754,357   | 3,011,925  |
| 2   | Power Production Expense                           | 0                                    | 0            | 0            | 0          |
| 3.  | Cost of Purchased Power                            | 20,939,836                           | 21,646,535   | 21,418,380   | 2,271,859  |
| 4.  | Transmission Expense                               | 0                                    | 0            | 0            | 0          |
| 5.  | Distribution Expense - Operation                   | 828,440                              | 962,342      | 873,737      | 92,385     |
| 6.  | Distribution Expense - Maintenance                 | 913,021                              | 1,237,288    | 1,057,818    | 210,377    |
| 7.  | Customer Accounts Expense                          | 573,545                              | 541,043      | 592,903      | 59,063     |
| 8.  | Customer Service and Informational Expense         | 101,279                              | 95,678       | 112,201      | 10,568     |
| 9.  | Sales Expense                                      | 2,777                                | 2,404        | 4,229        | 69         |
| 10. | Administrative and General Expense                 | 493,413                              | 623,548      | 547,094      | 74,803     |
| 11. | Total Operation & Maintenance Expense (2 thru 10)  | 23,852,311                           | 25,108,838   | 24,606,362   | 2,719,124  |
| 12. | Depreciation and Amortization Expense              | 1,280,313                            | 1,338,850    | 1,343,860    | 150,510    |
| 13. | Tax Expense - Property & Gross Receipts            | 0                                    | 0            | 0            | 0          |
| 14. | Tax Expense - Other                                | 23,805                               | 25,956       | 25,713       | 2,884      |
| 15. | Interest on Long-Term Debt                         | 1,271,516                            | 1,259,506    | 1,295,833    | 148,000    |
| 16. | Interest Charged to Construction - Credit          | 0                                    | 0            | 0            | 0          |
| 17. | Interest Expense - Other                           | 16,058                               | 22,075       | 16,862       | 1,840      |
| 18. | Other Deductions                                   | 11,620                               | 3,329        | 984          | 1,535      |
| 19. | Total Cost of Electric Service (11 thru 18)        | 26,455,624                           | 27,758,554   | 27,289,614   | 3,023,894  |
| 20. | Patronage Capital & Operating Margins (1 minus 19) | (43,008)                             | (265,195)    | 464,743      | (11,969    |
| 21. | Non Operating Margins - Interest                   | 179,138                              | 62,314       | 210,249      | 5,819      |
| 22. | Allowance for Funds Used During Construction       | 0                                    | 0            | 0            | 0          |
| 23. | Income (Loss) from Equity Investments              | 0                                    | 0            | 1,525        | 0          |
| 24  | Non Operating Margins - Other                      | 26,245                               | 63,702       | (3,439)      | (342       |
| 25  | Generation and Transmission Capital Credits        | 0                                    | 0            | 0            | 0          |
| 26  | Other Capital Credits and Patronage Dividends      | 62,993                               | 68,321       | 63,500       | 36,834     |
| 27  | . Extraordinary Items                              | 0                                    | 0            | 0            | 0          |
| 28  | Patronage Capital or Margins (20 thru 27)          | 225,369                              | (70,858)     | 736,578      | 30,341     |

#### Part B. Data on Transmission and Distribution Plant Year-to-Date Year-to-Date ITEM Last Year This Year (a) (b) New Services Connected 275 178 25 19 Services Retired 17,002 17,218 Total Services in Place 1,971 1,904 Idle Services (Exclude Seasonals) 0.00 0.00 Miles Transmission 1,877.75 6. Miles Distribution - Overhead 1,873.13 188.54 195.24 Miles Distribution - Underground 2,061.67 2,072.99 Total Miles Energized (5+6+7)

### USDA-RUS

### FINANCIAL AND STATISTICAL REPORT

BORROWER DESIGNATION

KY0030

PERIOD ENDED

08/2008

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|------|------------|----|-------|-------|
| Part | <b>ن</b> . | ва | lance | Sneer |

| ASSETS AND OTHER DEBITS                              |            |     | LIABILITIES AND OTHER CREDITS                         |            |
|--|------------|-----|---|------------|
| Total Utility Plant in Service                       | 61,881,507 | 29. | Memberships   | 0          |
| Consturction Work in Progress                        | 294,021    | 30. | Patronage Capital                                     | 24,054,980 |
| Total Utility Plant (1+2)                            | 62,175,528 | 31. | Operating Margins - Prior Years                       | 93,068     |
| Accum. Provision for Depreciation and Amort.         | 10,168,906 | 32. | Operating Margins - Current Years                     | -196,875   |
| 5. Net Utility Plant (3-4)                           | 52,006,623 | 33. | Non-Operating Margins                                 | 837,597    |
| 6. Non-Utility Property (Net)                        | 0          | 34. | Other Margins and Equities                            | 438,623    |
| Investments in Subsidiary Companies                  | 775,824    | 35. | Total Margins & Equities (29 thru 34)                 | 25,227,393 |
| 8. Invest. In Assoc. Org Patronage Capital           | 6,599,189  | 36. | Long-Term Debt - RUS (NET)                            | 14,540,376 |
| 9. Invest. in Assoc. Org Other - General Funds       | 0          |     | (Payments - Unapplied)                                | 0          |
| 10. Invest. In Assoc. Org - Other - Nongeneral Funds | 703,922    | 37. | Long-Term Debt - RUS - Econ. Devel. (Net)             | 0          |
| 11. Investments in Econnomic Development Projects    | 191,000    | 38. | Long-Term Debt - FFB - RUS Guaranteed                 | 15,861,648 |
| 12. Other Investments                                | 62,100     | 39. | Long-Term Debt - Other - RUS Guaranteed               | 0          |
| 13. Special Funds                                    | 0          | 40. | Long-Term Debt Other (Net)                            | 3,946,000  |
| 14. Total Other Property & Investments (6 thru 13)   | 8,332,036  | 41. | Total Long-Term Debt (36 thru 40)                     | 34,348,025 |
| 15. Cash - General Funds                             | 1,229,744  | 42. | Obligations Under Capital Leases - Noncurrent         | 0          |
| 16. Cash - Construction Funds - Trustee              | 0          | 43. | Accumulated Operating Provisions and Asset            |            |
| 17. Special Deposits                                 | 425        |     | Retirement Obligations                                | 1,871,674  |
| 18. Temporary Investments                            | 544,928    | 44. | Total Other Noncurrent Liabilities (42+43)            | 1,871,674  |
| 9. Notes Receivable (Net)                            | 0          | 45. | Notes Payable   | 0          |
| 20 Accounts Receivable - Sales of Energy (Net)       | 3,067,258  | 46. | Accounts Payable                                      | 2,478,041  |
| 21. Accounts Receivable - Other (Net)                | 195,872    | 47. | Consumers Deposits                                    | 381,380    |
| 22. Materials and Supplies - Electric & Other        | 347,530    | 48. | Current Maturities Long-Term Debt                     | 0          |
| 23. Prepayments                                      | 47,183     | 49. | Current Maturities Long-Term Debt-Economic            |            |
| 24. Other Current and Accrued Assets                 | 14,083     |     | Development   | 0          |
| 25. Total Current and Accrued Assets (15 thru 24)    | 5,447,021  | 50. | Current Maturities Capital Leases                     | 0          |
| 26. Regulatory Assets                                | 0          | 51. | Other Current and Accrued Liabilities                 | 570,556    |
| 27. Other Deferred Debits                            | 0          | 52. | Total Current & Accrued Liabilities (45 thru 51)      | 3,429,976  |
| 28. Total Assets and Other Debits (5+14+25+ thru 27) | 65,785,680 | 53. | Regulatory Liabilities                                | 0          |
|  |            |     | Other Deferred Credits                                | 908,613    |
|  |            | 55. | Total Liabilities and Other Credits (35+41+44+52 thru | OF 705 000 |
|  |            |     | 54)   | 65,785,680 |

|     | USDA-RUS   | BORROWER DESIGNATION   | N               |              |            |
|-----|--|------------------------|-----------------|--------------|------------|
|     | FINANCIAL AND STATISTICAL REPORT KY0030            |                        |                 |              |            |
|     |  | PERIOD ENDED           |                 |              |            |
|     |  |                        | 10/2008         |              |            |
|     | Part A   | Statement of Operation |                 |              |            |
|     | ITEM   | Year-to-Date           | Year-to-Date    | Year-to-Date |            |
|     |  | Last Year              | This Year       | Budget       | This Month |
|     |  | (a)                    | (b)             | (c)          | (d)        |
| 1.  | Operating Revenue and Patronage Capital            | 28,664,659             | 29,930,318      | 30,291,330   | 2,436,959  |
|     | Power Production Expense                           | 0                      | 0               | 0            | 0          |
| 3.  | Cost of Purchased Power                            | 22,988,186             | 23,840,875      | 23,513,541   | 2,194,340  |
| 4.  | Transmission Expense                               | 0                      | 0               | <u> </u>     | 0          |
| 5.  | Distribution Expense - Operation                   | 913,676                | 1,062,168       | 974,337      | 99,826     |
| 6.  | Distribution Expense - Maintenance                 | 996,600                | 1,396,293       | 1,158,280    | 159,005    |
| 7.  | Customer Accounts Expense                          | 639,897                | 600,401         | 663,625      | 59,358     |
| 8.  | Customer Service and Informational Expense         | 113,903                | 106,808         | 126,348      | 11,130     |
| 9.  | Sales Expense                                      | 4,173                  | 3,448           | 7,162        | 1,044      |
| 10. | Administrative and General Expense                 | 543,184                | 736,379         | 594,177      | 112,831    |
| 11. | Total Operation & Maintenance Expense (2 thru 10)  | 26,199,618             | 27,746,372      | 27,037,470   | 2,637,534  |
| 12. | Depreciation and Amortization Expense              | 1,425,545              | 1,489,871       | 1,496,300    | 151,021    |
| 13. | Tax Expense - Property & Gross Receipts            | 0                      | 0               | 0            | 0          |
| 14. | Tax Expense - Other                                | 26,450                 | 28,840          | 28,570       | 2,884      |
| 15. | Interest on Long-Term Debt                         | 1,417,866              | 1,403,206       | 1,444,944    | 143,700    |
| -   | Interest Charged to Construction - Credit          | 0                      | 0               | 0            | 0          |
| 17. | Interest Expense - Other                           | 17,923                 | 23,983          | 18,821       | 1,908      |
| 18. | Other Deductions                                   | 11,664                 | 3,700           | 988          | 371        |
| 19. | Total Cost of Electric Service (11 thru 18)        | 29,099,066             | 30,695,972      | 30,027,093   | 2,937,419  |
| 20. | Patronage Capital & Operating Margins (1 minus 19) | (434,407)              | (765,655)       | 264,237      | (500,460)  |
| 21. | Non Operating Margins - Interest                   | 194,958                | 68,163          | 228,816      | 5,849      |
| 22. | Allowance for Funds Used During Construction       | 0                      | 0               | 0            | 0          |
| 23. | Income (Loss) from Equity Investments              | 0                      | 0               | 1,525        | 0          |
| 24. | Non Operating Margins - Other                      | 25,870                 | 63,116          | (3,796)      | (586)      |
| 25. | Generation and Transmission Capital Credits        | 0                      | 0               | 0            | 0          |
| 26. | Other Capital Credits and Patronage Dividends      | 62,993                 | 68,321          | 63,500       | 0          |
| 27. |  | 0                      | 0               | 0            | 0          |
| 28. | Patronage Capital or Margins (20 thru 27)          | (150,585)              | (566,055)       | 554,282      | (495,196)  |
|     | Part B. Data on                                    | Transmission and Dis   | tribution Plant |              |            |
|     | ITEM   | Year-to-Date           | Year-to-Date    |              |            |
|     |  | Last Year              | This Year       |              |            |
|     | · · · · · · · · · · · · · · · · · · ·              | (a)                    | (p)             |              |            |
| 1.  | New Services Connected                             | 289                    | 206             |              |            |
| 2.  | Services Retired                                   | 34                     | 19              |              |            |
| 3.  | Total Services in Place                            | 16,691                 | 17,246          |              |            |
| 4   | Idle Services (Exclude Seasonals)                  | 1,885                  | 2,039           |              |            |
| 5.  | Miles Transmission                                 | 0.00                   | 0.00            |              |            |
| 6.  | Miles Distribution - Overhead                      | 1,852.07               | 1,878.63        |              |            |
| 7.  | Miles Distribution - Underground                   | 170.68                 | 195.81          |              |            |
| 8.  | Total Miles Energized (5+6+7)                      | 2,022.75               | 2,074.44        |              |            |
|     |  |                        |                 |              |            |

### USDA-RUS

### FINANCIAL AND STATISTICAL REPORT

BORROWER DESIGNATION

KY0030

PERIOD ENDED

10/2008

| Part C. Balance Sheet |  |                               |  |
|-----------------------|--|-------------------------------|--|
|                       | LIABILITIES AND OTHER CREDITS  |                               |  |
| 62,082,422            | 29. Memberships  | 0                             |  |
| 320,321               | 30. Patronage Capital  | 24,045,420                    |  |
| 62,402,742            | 31. Operating Margins - Prior Years  | 93,068                        |  |
| 10,304,825            | 32. Operating Margins - Current Years  | -697,334                      |  |
| 52,097,917            | 33. Non-Operating Margins  | 842,861                       |  |
| 0                     | 34. Other Margins and Equities   | 445,581                       |  |
| 775,824               | 35. Total Margins & Equities (29 thru 34)  | 24,729,596                    |  |
| 6,567,734             | 36. Long-Term Debt - RUS (NET)   | 14,513,118                    |  |
| 0)                    | (Payments - Unapplied)   | 0                             |  |
| 703,922               | 37. Long-Term Debt - RUS - Econ. Devel. (Net)  | 0                             |  |
| 191,000               | 38. Long-Term Debt - FFB - RUS Guaranteed  | 15,861,648                    |  |
| 62,100                | 39. Long-Term Debt - Other - RUS Guaranteed  | 0                             |  |
| 0                     | 40. Long-Term Debt Other (Net)   | 3,946,000                     |  |
| 8,300,581             | 41. Total Long-Term Debt (36 thru 40)  | 34,320,766                    |  |
| 1,284,823             | 42. Obligations Under Capital Leases - Noncurrent  | 0                             |  |
| D                     | 43 Accumulated Operating Provisions and Asset  |                               |  |
| 425                   | Retirement Obligations   | 1,872,867                     |  |
| 474,750               | 44. Total Other Noncurrent Liabilities (42+43)   | 1,872,867                     |  |
| 0                     | 45. Notes Payable  | 0                             |  |
| 2,330,065             | 46. Accounts Payable   | 2,474,614                     |  |
| 218,316               | 47. Consumers Deposits   | 381,395                       |  |
| 317,500               | 48. Current Maturities Long-Term Debt  | 0                             |  |
| 111,755               | 49. Current Maturities Long-Term Debt-Economic   |                               |  |
| 2,375                 | Development  | C                             |  |
| 4,740,008             | 50. Current Maturities Capital Leases  | C                             |  |
| D                     | 51. Other Current and Accrued Liabilities  | 457,384                       |  |
| 0                     | 52. Total Current & Accrued Liabilities (45 thru 51)   | 3,313,393                     |  |
| 65,138,506            | 53. Regulatory Liabilities   | C                             |  |
|                       | 54. Other Deferred Credits   | 901,885                       |  |
|                       | 55 Total Liabilities and Other Credits (35+41+44+52 thru<br>54)  | 65,138,506                    |  |
|                       | 62,082,422 32D,321 62,402,742 10,304,825 52,097,917 0 775,824 6,567,734 0 703,922 191,000 62,100 0 8,300,581 1,284,823 0 425 474,750 0 2,330,065 218,316 317,500 111,755 2,375 4,740,008 0 | LIABILITIES AND OTHER CREDITS |  |

#### BORROWER DESIGNATION USDA-RUS FINANCIAL AND STATISTICAL REPORT KY0030 PERIOD ENDED 11/2008 Part A. Statement of Operations Year-to-Date Year-to-Date ITEM Year-to-Date Budget This Month Last Year This Year (c) (d) (b) (a) 32,905,605 2,975,287 33,317,768 32,295,042 Operating Revenue and Patronage Capital Power Production Expense 26,326,279 25,613,708 2,485,404 25,041,430 Cost of Purchased Power Transmission Expense 1.083,467 107,951 1.018.021 1,170,119 Distribution Expense - Operation 1,072,902 1,475,562 1,246,529 79,269 Distribution Expense - Maintenance 58,099 726,448 699,973 658,501 Customer Accounts Expense 140,368 17,226 124,034 Customer Service and Informational Expense 124,856 8,417 450 4,738 3,898 Sales Expense 810,297 643,265 73,918 Administrative and General Expense 601,731 10. 2,822,317 29,462,202 30,568,690 28,563,651 11. Total Operation & Maintenance Expense (2 thru 10) 151,419 1,571,130 1,641,290 1.649.112 Depreciation and Amortization Expense 0 0 0 0 13. Tax Expense - Property & Gross Receipts 2,884 31,724 32,963 30,517 Tax Expense - Other 1,528,883 1,581,490 125,677 1,552,422 15. Interest on Long-Term Debt 0 16. Interest Charged to Construction - Credit 0 20,693 3,739 27,723 19,706 17. Interest Expense - Other 35 3,735 988 11,664 18. Other Deductions 3,106,072 32.747.448 Total Cost of Electric Service (11 thru 18) 31,749,089 33,802,045 545,953 (896,440) 570,320 (130,785)20. Patronage Capital & Operating Margins (1 minus 19) 72,407 206,568 242,442 4,244 Non Operating Margins - Interest 0 0 0 Ó 22. Allowance for Funds Used During Construction 0 0 0 1,525 23. Income (Loss) from Equity Investments (397)25,560 62,719 (4,092)Non Operating Margins - Other 0 Generation and Transmission Capital Credits 63,500 0 62,993 68,321 Other Capital Credits and Patronage Dividends 0 0 0 Extraordinary Items 27. (126,938)873,695 841,075 (692,993)28. Patronage Capital or Margins (20 thru 27) Part B. Data on Transmission and Distribution Plant Year-to-Date Year-to-Date ITEM Last Year This Year (b) (a) 227 341 New Services Connected 47 19 Services Retired 17,046 17,267 Total Services in Place 1,965 2,030 Idle Services (Exclude Seasonals)

0.00

1,872.78

2,063.45

190.67

Miles Transmission

Miles Distribution - Overhead

Miles Distribution - Underground

Total Miles Energized (5+6+7)

0.00

1,880.51

196.39

2,076.90

### USDA-RUS

### FINANCIAL AND STATISTICAL REPORT

BORROWER DESIGNATION

PERIOD ENDED

KY0030

11/2008

| Part C. Balance Sheet  |            |   |                               |  |  |
|--|------------|---|-------------------------------|--|--|
| ASSETS AND OTHER DEBITS  |            | LIABILITIES AND OTHER CREDITS                             | LIABILITIES AND OTHER CREDITS |  |  |
| Total Utility Plant in Service   | 62,242,627 | 29. Memberships   | 0                             |  |  |
| Consturction Work in Progress  | 385,467    | 30. Patronage Capital                                     | 23,716,081                    |  |  |
| 3. Total Utility Plant (1+2)   | 62,628,095 | 31. Operating Margins - Prior Years                       | 93,068                        |  |  |
| Accum. Provision for Depreciation and Amort.   | 10,443,202 | 32. Operating Margins - Current Years                     | -828,119                      |  |  |
| 5. Net Utility Plant (3-4)   | 52,184,893 | 33. Non-Operating Margins                                 | 846,707                       |  |  |
| 6. Non-Utility Property (Net)  | D          | 34. Other Margins and Equities                            | 497,794                       |  |  |
| 7. Investments in Subsidiary Companies   | 775,824    | 35. Total Margins & Equities (29 thru 34)                 | 24,325,531                    |  |  |
| 8. Invest. In Assoc. Org Patronage Capital   | 6,567,734  | 36. Long-Term Debt - RUS (NET)                            | 14,434,506                    |  |  |
| 9. Invest. In Assoc. Org Other - General Funds   | 0          | (Payments - Unapplied)                                    | 0                             |  |  |
| 10. Invest. In Assoc. Org Other - Nongeneral Funds   | 703,922    | 37. Long-Term Debt - RUS - Econ. Devel. (Net)             | 0                             |  |  |
| 11. Investments in Econnomic Development Projects  | 185,000    | 38. Long-Term Debt - FFB - RUS Guaranteed                 | 15,861,648                    |  |  |
| 12. Other Investments  | 62,100     | 39. Long-Term Debt - Other - RUS Guaranteed               | 0                             |  |  |
| 13. Special Funds  | 0          | 40. Long-Term Debt Other (Net)                            | 3,893,463                     |  |  |
| 14. Total Other Property & Investments (6 thru 13)   | 8,294,581  | 41. Total Long-Term Debt (36 thru 40)                     | 34,189,617                    |  |  |
| 15. Cash - General Funds   | 1,251,317  | 42. Obligations Under Capital Leases - Noncurrent         | 0                             |  |  |
| 16. Cash - Construction Funds - Trustee  | 0          | 43. Accumulated Operating Provisions and Asset            |                               |  |  |
| 17. Special Deposits   | 425        | Retirement Obligations                                    | 1,875,106                     |  |  |
| 18. Temporary Investments  | 29,058     | 44. Total Other Noncurrent Liabilities (42+43)            | 1,875,106                     |  |  |
| 19. Notes Receivable (Net)   | 0          | 45. Notes Payable   | 0                             |  |  |
| 20 Accounts Receivable - Sales of Energy (Net)   | 3,334,770  | 46. Accounts Payable                                      | 3,685,343                     |  |  |
| 21. Accounts Receivable - Other (Net)  | 248,053    | 47. Consumers Deposits                                    | 380,420                       |  |  |
| 22. Materials and Supplies - Electric & Other  | 303,921    | 48. Current Maturities Long-Term Debt                     | C                             |  |  |
| 23. Prepayments  | 112,135    | 49. Current Maturities Long-Term Debt-Economic            |                               |  |  |
| 24. Other Current and Accrued Assets   | 4,769      | Development   |                               |  |  |
| 25. Total Current and Accrued Assets (15 thru 24)  | 5,284,448  | 50. Current Maturities Capital Leases                     |                               |  |  |
| 26. Regulatory Assets  | 0          | 51. Other Current and Accrued Liabilities                 | 404,146                       |  |  |
| 27. Other Deferred Debits  | 0          | 52. Total Current & Accrued Liabilities (45 thru 51)      | 4,469,910                     |  |  |
| 28. Total Assets and Other Debits (5+14+25+ thru 27)   | 65,763,921 | 53. Regulatory Liabilities                                | (                             |  |  |
| Management of the second secon |            | 54. Other Deferred Credits                                | 903,758                       |  |  |
|  |            | 55. Total Liabilities and Other Credits (35+41+44+52 thru | 65,763,92                     |  |  |
|  |            | 54)   | 03,703,92                     |  |  |

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 16 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

| 1 response, incident and the tot to to to the time and address, seat and a decime a contract Beautiful                                       |   |
|--|---|
| UNITED STATES DEPARTMENT OF AGRICULTURE<br>RURAL UTILITIES SERVICE   | BORROWER DESIGNATION KY0030                 |
| 1  | PERIOD ENDED                                |
| FINANCIAL AND STATISTICAL REPORT   | December, 2008 (Prepared with Audited Data) |
| INSTRUCTIONS - For detailed instructions, see RUS Bulletin 1717B-2.  | BORROWER NAME                               |
| This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. seq.) and may be confidential. | SHELBY ENERGY COOPERATIVE, INC.             |

#### CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES

### DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII (check one of the following)

DARTA CTATEMENT OF OPERATIONS

| X | All of the obligations under the RUS loan documents |
|---|---|
|   | have been fulfilled in all material respects.       |

| There has been a default in the fulfillment of the obligations |
|--|
| under the RUS loan documents. Said default(s) is/are           |
| specifically described in Part D of this report.               |

| Debbie | Martin | 3/26/2009 |
|--------|--------|-----------|
|        |        | DATE      |

| PART A.  | STATEMENT OF OPERA |            |            |            |
|--|--------------------|------------|------------|------------|
| ITEM   | YEAR-TO-DATE       |            |            | i          |
|  | LAST YEAR          | THIS YEAR  | BUDGET     | THIS MONTH |
|  | (a)                | (b)        | (c)        | (d)        |
| 1. Operating Revenue and Patronage Capital             | 35,483,826         | 36,715,091 | 36,199,824 | 3,809,486  |
| 2. Power Production Expense                            | 0                  | 0          | 0          | 0          |
| 3. Cost of Purchased Power                             | 27,337,041         | 29,125,693 | 28,015,000 | 2,799,414  |
| 4. Transmission Expense                                | 0                  | 0          | 0          | 0          |
| 5. Distribution Expense - Operation                    | 1,144,890          | 1,282,390  | 1,205,464  | 112,271    |
| 6. Distribution Expense - Maintenance                  | 1,173,892          | 1,483,213  | 1,366,882  | 7,651      |
| 7. Customer Accounts Expense                           | 771,884            | 718,598    | 801,664    | 60,097     |
| 8. Customer Service and Informational Expense          | 132,324            | 134,883    | 153,353    | 10,849     |
| 9. Sales Expense                                       | 5,794              | 5,301      | 11,149     | 1,403      |
| 10. Administrative and General Expense                 | 659,089            | 860,421    | 745,950    | 50,124     |
| 11. Total Operation & Maintenance Expense (2 thru 10)  | 31,224,914         | 33,610,499 | 32,299,462 | 3,041,809  |
| 12. Depreciation and Amortization Expense              | 1,717,103          | 1,793,305  | 1,801,555  | 152,014    |
| 13. Tax Expense - Property & Gross Receipts            | 0                  | 0          | 0          | 0          |
| 14. Tax Expense - Other                                | 34,584             | 34,608     | 37,356     | 2,884      |
| 15. Interest on Long-Term Debt                         | 1,690,546          | 1,669,016  | 1,723,476  | 140,133    |
| 16. Interest Charged to Construction - Credit          | 0                  | 0          | 0          | 0          |
| 17. Interest Expense - Other                           | 22,523             | 32,331     | 22,762     | 4,608      |
| 18. Other Deductions                                   | 12,008             | 3,779      | 1,000      | 44         |
| 19. Total Cost of Electric Service (11 thru 18)        | 34,701,678         | 37,143,538 | 35,885,611 | 3,341,492  |
| 20. Patronage Capital & Operating Margins (1 minus 19) | 782,148            | (428,447)  | 314,213    | 467,994    |
| 21. Non Operating Margins - Interest                   | 215,989            | 76,082     | 259,783    | 3,674      |
| 22. Allowance for Funds Used During Construction       | 0                  | 0          | 0          | 0          |
| 23. Income (Loss) from Equity Investments              | 2,399              | 50,722     | 114,025    | 50,722     |
| 24. Non Operating Margins - Other                      | 27,113             | (56,536)   | (86,050)   | (119,255)  |
| 25. Generation and Transmission Capital Credits        | 0                  | 350,180    | 0          | 350,180    |
| 26. Other Capital Credits and Patronage Dividends      | 62,993             | 98,238     | 63,500     | 29,917     |
| 27. Extraordinary Items                                | 0                  | 0'         | 0          | 0          |
| 28. Patronage Capital or Margins (20 thru 27)          | 1,090,642          | 90,239     | 665,471    | 783,232    |

#### USDA - RUS

#### FINANCIAL AND STATISTICAL REPORT

BORROWER DESIGNATION KY0030

PERIOD ENDED December, 2008

NSTRUCTIONS - See RUS Bulletin 1717B-2

|   | PART B. DATA            | ON TRANSMISSIO | N A                                       | ND DISTRIBUTION PL                                  | ANT                  |            |
|---|-------------------------|----------------|---|---|----------------------|------------|
| 1   | YEAR-T                  | O-DATE         |   |   | YEAR-TO-DATE         |            |
| ITEM  | LAST YEAR               | THIS YEAR      |   | YEED'S 6  | LAST YEAR            | THIS YEAR  |
| TIEN  | (a)                     | (b)            | L   | ITEM  | (a)                  | (b)        |
| New Services Connected  | 361                     | 248            | 5.  | Miles Transmission                                  | 0.00                 | 0.00       |
| 2. Services Retired   | 54                      | 19             | 6.  | Miles Distribution -<br>Overhead                    | 1,873.11             | 1,881.2    |
| 3. Total Services in Place  | 17,059                  | 17,288         | 7.  | Miles Distribution -<br>Underground                 | 191.73               | 196.8      |
| 4. Idle Services<br>(Exclude Seasonals)   | 1,943                   | 2,005          |   | Total Miles Energized $(5+6+7)$                     | 2,064.84             | 2,078.1    |
| **************************************  |                         | PART C. BALA   | NC  | E SHEET   |                      |            |
| ASSETS  | AND OTHER DEBIT         | S              | Γ   | LIABILI   | TIES AND OTHER CI    | REDITS     |
| 1 Total I Trillian Dlane in Commi   |                         | . 62,257,438   | _   | Manufacilia   |                      | 0          |
| <ol> <li>Total Utility Plant in Servi</li> <li>Construction Work in Prog</li> </ol> |                         |                |   | Memberships Patronage Capital                       |                      |            |
| -   | _                       |                |   | Operating Margins - Prio                            |                      |            |
| <ol> <li>Total Utility Plant (1 + 2)</li> <li>Accum. Provision for Dep</li> </ol>   |                         |                |   |   |                      |            |
| -   |                         |                |   | 32. Operating Margins - Current Year                |                      |            |
| 5. Net Utility Plant (3 - 4)  |                         |                | 33  | 33. Non-Operating Margins                           |                      |            |
| 6. Non-Utility Property (Net  |                         |                | 35. Total Margins & Equities (29 thru 34) |   |                      |            |
| 7. Investments in Subsidiary  | -                       |                |   |   |                      |            |
| 8. Invest. in Assoc. Org Pa   |                         |                | 36. Long-Term Debt - RUS (Net)            |   | ****                 |            |
| 9. Invest. in Assoc. Org Or   |                         |                |   | Long-Term Debt - PFB - Long-Term Debt - Other       |                      |            |
| 10. Invest. in Assoc. Org Ot  |                         |                | 38  | Long-Term Debt Other (                              | - KOS Guaranteeu     | 3,593,317  |
| 11. Investments in Economic   | -                       |                |   | . Long-Term Debt - RUS -                            |                      |            |
| 12. Other Investments   |                         |                | 1   | -   | Econ. Devel. (Net)   | 0          |
| 13. Special Funds   |                         |                |   | . Payments - Unapplied                              | 6 June 40 411        |            |
| 14. Total Other Property & In   |                         |                |   | Total Long-Term Debt (3                             |                      |            |
| 15. Cash - General Funds  |                         |                |   | . Obligations Under Capita                          |                      |            |
| 16. Cash - Construction Fund  |                         |                | 44  | . Accumulated Operating I                           |                      | 1,857,970  |
| 17. Special Deposits  |                         |                | 1.  | and Asset Retirement Ob<br>Total Other Noncurrent I |                      |            |
| 18. Temporary Investments .   |                         |                |   |   |                      | 47444      |
| 19. Notes Receivable (Net)  |                         |                |   | Notes Payable                                       |                      |            |
| 20. Accounts Receivable - Sal   |                         |                |   | . Accounts Payable                                  |                      |            |
| 21. Accounts Receivable - Ot  |                         |                |   | . Consumers Deposits                                |                      |            |
| 22. Materials and Supplies - E  |                         |                |   | . Current Maturities Long                           |                      | 1,252,412  |
| 23. Prepayments   |                         |                | 120                                       | Current Maturities Long                             | - 1erm Debi<br>oment | 0          |
| 24. Other Current and Accrue  |                         |                | l.,                                       |   |                      |            |
| 25. Total Current and Accrue  |                         |                |   | . Current Maturities Capit                          |                      |            |
| 26. Regulatory Assets   |                         |                |   | . Other Current and Accrue                          |                      |            |
| 27. Other Deferred Debits   |                         |                |   | . Total Current & Accrued                           |                      |            |
| 28. Total Assets and Other D  | edits (3+14+23 thru 21) | 67,427,630     |   | Regulatory Liabilities                              |                      |            |
| 1   |                         |                |   | Other Deferred Credits                              |                      | 904,136    |
| (   |                         |                | 156                                       | 5. Total Liabilities and Oth                        |                      | 67,427,630 |
|   |                         |                | 丄   | (35+42+45+53) thru                                  | )))                  | 01,421,630 |

|      | USDA-RUS   | BORROWER DESIGNATIO  | N                |              |            |  |  |  |
|------|--|----------------------|------------------|--------------|------------|--|--|--|
|      | FINANCIAL AND STATISTICAL REPORT                   | KY0030               |                  |              |            |  |  |  |
|      |  | PERIOD ENDED         |                  |              |            |  |  |  |
|      |  |                      | 01/2009          |              |            |  |  |  |
|      | Part A.  | Statement of Operati |                  | ·            |            |  |  |  |
|      | ITEM   | Year-to-Date         | Year-to-Date     | Year-to-Date |            |  |  |  |
|      | 1  | Last Year            | This Year        | Budget       | This Month |  |  |  |
| -122 |  | (a)                  | (b)              | (c)          | (d)        |  |  |  |
| 1.   | Operating Revenue and Patronage Capital            | 3,481,794            | 4,189,349        | 3,887,589    | 4,189,349  |  |  |  |
| 2    | Power Production Expense                           | 0                    | 0                | 0            | 0          |  |  |  |
| 3.   | Cost of Purchased Power                            | 2,973,110            | 3,117,976        | 3,319,898    | 3,117,976  |  |  |  |
| 4.   | Transmission Expense                               | 0                    | 0                | 0            | 0          |  |  |  |
| 5.   | Distribution Expense - Operation                   | 121,364              | 108,245          | 116,966      | 108,245    |  |  |  |
| 6.   | Distribution Expense - Maintenance                 | 110,358              | 338,241          | 100,259      | 338,241    |  |  |  |
| 7.   | Customer Accounts Expense                          | 69,060               | 59,144           | 69,782       | 59,144     |  |  |  |
| 8.   | Customer Service and Informational Expense         | 10,987               | 15,105           | 6,456        | 15,105     |  |  |  |
| 9.   | Sales Expense                                      | (1,111)              | (1,468)          | (1,463)      | (1,468)    |  |  |  |
| 10.  | Administrative and General Expense                 | 57,697               | 70,541           | 63,895       | 70,541     |  |  |  |
| 11.  | Total Operation & Maintenance Expense (2 thru 10)  | 3,341,466            | 3,707,785        | 3,675,793    | 3,707,785  |  |  |  |
| 12.  | Depreciation and Amortization Expense              | 146,369              | 152,217          | 153,634      | 152,217    |  |  |  |
| 13.  | Tax Expense - Property & Gross Receipts            | 0                    | 0                | 0            | 0          |  |  |  |
| 14.  | Tax Expense - Other                                | 2,884                | 2,972            | 2,889        | 2,972      |  |  |  |
| 15.  | Interest on Long-Term Debt                         | 143,700              | 144,720          | 144,720      | 144,720    |  |  |  |
| 16.  | Interest Charged to Construction - Credit          | 0                    | 0                | 0            | 0          |  |  |  |
| 17.  | Interest Expense - Other                           | 3,592                | 3,906            | 3,699        | 3,906      |  |  |  |
| 18.  | Other Deductions                                   | 356                  | 146              | 109          | 146        |  |  |  |
| 19.  | Total Cost of Electric Service (11 thru 18)        | 3,638,367            | 4,011,745        | 3,980,844    | 4,011,745  |  |  |  |
| 20.  | Patronage Capital & Operating Margins (1 minus 19) | (156,573)            | 177,604          | (93,255)     | 177,604    |  |  |  |
| 21.  | Non Operating Margins - Interest                   | 5,979                | 3,156            | 5,743        | 3,156      |  |  |  |
| 22.  | Allowance for Funds Used During Construction       | 0                    | 0                | 0            | 0          |  |  |  |
| 23.  | Income (Loss) from Equity Investments              | 0                    | 0                | 0            | 0          |  |  |  |
| 24.  | Non Operating Margins - Other                      | (556)                | (626)            | (530)        | (626)      |  |  |  |
| 25.  | Generation and Transmission Capital Credits        | 0                    | 0                | 0            | 0          |  |  |  |
| 26.  | Other Capital Credits and Patronage Dividends      | 6,986                | 0                | 7,004        | 0          |  |  |  |
| 27.  | Extraordinary Items                                | 0                    | 0                | 0            | 0          |  |  |  |
| 28.  | Patronage Capital or Margins (20 thru 27)          | (144,164)            | 180,134          | (81,038)     | 180,134    |  |  |  |
|      | Part B. Data on                                    | Transmission and Dis | stribution Plant |              |            |  |  |  |
|      | ITEM   | Year-to-Date         | Yéar-to-Date     |              |            |  |  |  |
|      |  | Last Year            | This Year        |              |            |  |  |  |
| _    |  | (a)                  | (b)              |              |            |  |  |  |
| 1.   | New Services Connected                             | 19                   | 4                |              |            |  |  |  |
| 2.   | Services Retired                                   | 2                    | 3                |              |            |  |  |  |
| 3.   | Total Services in Place                            | 16,769               | 17,289           |              |            |  |  |  |
| 4    | Idle Services (Exclude Seasonals)                  | 1,646                |                  |              |            |  |  |  |
| 5.   | Miles Transmission                                 | 0.00                 | f                |              |            |  |  |  |
| 6.   | Miles Distribution - Overhead                      | 1,873.11             | 1,881.95         |              |            |  |  |  |
| 7.   | Miles Distribution - Underground                   | 191.73               | <del></del>      |              |            |  |  |  |
| 8.   | Total Miles Energized (5+6+7)                      | 2,064.84             | 2,078.97         |              |            |  |  |  |
|      |  |                      |                  |              |            |  |  |  |

#### USDA-RUS

#### FINANCIAL AND STATISTICAL REPORT

BORROWER DESIGNATION

KY0030 PERIOD ENDED

01/2009

| Part C. Balance Sheet                                |            |   |            |  |  |  |  |  |
|--|------------|---|------------|--|--|--|--|--|
| ASSETS AND OTHER DEBITS                              |            | LIABILITIES AND OTHER CREDITS                             |            |  |  |  |  |  |
| Total Utility Plant in Service                       | 62,396,873 | 29. Memberships   | 0          |  |  |  |  |  |
| 2. Consturction Work in Progress                     | 426,307    | 30. Patronage Capital                                     | 23,367,532 |  |  |  |  |  |
| 3. Total Utility Plant (1+2)                         | 62,823,180 | 31. Operating Margins - Prior Years                       | 443,248    |  |  |  |  |  |
| Accum. Provision for Depreciation and Amort.         | 10,624,614 | 32. Operating Margins - Current Years                     | 177,604    |  |  |  |  |  |
| 5. Net Utility Plant (3-4)                           | 52,198,566 | 33. Non-Operating Margins                                 | 784,378    |  |  |  |  |  |
| 6. Non-Utility Property (Net)                        | 0          | 34. Other Margins and Equities                            | 537,977    |  |  |  |  |  |
| 7. Investments in Subsidiary Companies               | 826,036    | 35. Total Margins & Equities (29 thru 34)                 | 25,310,740 |  |  |  |  |  |
| 8. Invest. In Assoc. Org Patronage Capital           | 6,947,831  | 36. Long-Term Debt - RUS (NET)                            | 15,371,311 |  |  |  |  |  |
| 9. Invest, In Assoc, Org Other - General Funds       | 0          | (Payments - Unapplied)                                    | 0          |  |  |  |  |  |
| 10. Invest. In Assoc. Org Other - Nongeneral Funds   | 703,922    | 37. Long-Term Debt - RUS - Econ. Devel. (Net)             | 0          |  |  |  |  |  |
| 11. Investments in Econnomic Development Projects    | 179,000    | 38. Long-Term Debt - FFB - RUS Guaranteed                 | 15,786,356 |  |  |  |  |  |
| 12. Other Investments                                | 62,100     | 39. Long-Term Debt - Other - RUS Guaranteed               | 0          |  |  |  |  |  |
| 13. Special Funds                                    | 0          | 40. Long-Term Debt Other (Net)                            | 3,893,463  |  |  |  |  |  |
| 14. Total Other Property & Investments (6 thru 13)   | 8,718,890  | 41. Total Long-Term Debt (36 thru 40)                     | 35,051,130 |  |  |  |  |  |
| 15. Cash - General Funds                             | 2,034,918  | 42. Obligations Under Capital Leases - Noncurrent         | 0          |  |  |  |  |  |
| 16. Cash - Construction Funds - Trustee              | 0          | 43. Accumulated Operating Provisions and Asset            |            |  |  |  |  |  |
| 17. Special Deposits                                 | 425        | Retirement Obligations                                    | 1,860,475  |  |  |  |  |  |
| 18. Temporary Investments                            | 10,173     | 44. Total Other Noncurrent Liabilities (42+43)            | 1,860,475  |  |  |  |  |  |
| 119. Notes Receivable (Net)                          | О          | 45. Notes Payable   | 0          |  |  |  |  |  |
| 20 Accounts Receivable - Sales of Energy (Net)       | 4,705,668  | 46. Accounts Payable                                      | 4,570,464  |  |  |  |  |  |
| 21. Accounts Receivable - Other (Net)                | 402,626    | 47. Consumers Deposits                                    | 382,995    |  |  |  |  |  |
| 22. Materials and Supplies - Electric & Other        | 302,974    | 48. Current Maturities Long-Term Debt                     | 0          |  |  |  |  |  |
| 23. Prepayments                                      | 187,115    | 49. Current Maturities Long-Term Debt-Economic            |            |  |  |  |  |  |
| 24. Other Current and Accrued Assets                 | 9,401      | Development   | 0          |  |  |  |  |  |
| 25. Total Current and Accrued Assets (15 thru 24)    | 7,653,300  | 50. Current Maturities Capital Leases                     |            |  |  |  |  |  |
| 26. Regulatory Assets                                | 0          | 51. Other Current and Accrued Liabilities                 | 504,147    |  |  |  |  |  |
| 27. Other Deferred Debits                            | 8,124      | 52. Total Current & Accrued Liabilities (45 thru 51)      | 5,457,606  |  |  |  |  |  |
| 28. Total Assets and Other Debits (5+14+25+ thru 27) | 68,578,880 | 53. Regulatory Liabilities                                |            |  |  |  |  |  |
|  |            | 54. Other Deferred Credits                                | 898,930    |  |  |  |  |  |
|  |            | 55. Total Liabilities and Other Credits (35+41+44+52 thru | 00.575.555 |  |  |  |  |  |
|  |            | 54)   | 68,578,880 |  |  |  |  |  |

|     | USDA-RUS   | BORROWER DESIGNATION   |                 |              |            |  |  |
|-----|--|------------------------|-----------------|--------------|------------|--|--|
|     | FINANCIAL AND STATISTICAL REPORT                   | KY0030 PERIOD ENDED    |                 |              |            |  |  |
|     |  | 02/2009                |                 |              |            |  |  |
|     | Part A.  | Statement of Operation | ons             |              |            |  |  |
|     | ITEM   | Year-to-Date           | Year-to-Date    | Year-to-Date |            |  |  |
|     |  | Last Year              | This Year       | Budget       | This Month |  |  |
|     |  | (a)                    | (b)             | (c)          | (d)        |  |  |
| 1.  | Operating Revenue and Patronage Capital            | 6,803,939              | 7,415,327       | 7,598,763    | 3,225,978  |  |  |
| 2   | Power Production Expense                           | 0                      | 0               | 0            | 0          |  |  |
| 3.  | Cost of Purchased Power                            | 5,639,068              | 5,733,190       | 6,296,817    | 2,615,214  |  |  |
| 4.  | Transmission Expense                               | 0                      | 0               | 0            | 0          |  |  |
| 5.  | Distribution Expense - Operation                   | 236,771                | 194,181         | 223,952      | 85,936     |  |  |
| 6.  | Distribution Expense - Maintenance                 | 273,667                | 964,984         | 214,443      | 626,743    |  |  |
| 7.  | Customer Accounts Expense                          | 121,668                | 113,287         | 126,818      | 54,143     |  |  |
| 8.  | Customer Service and Informational Expense         | 19,693                 | 27,559          | 20,105       | 12,454     |  |  |
| 9.  | Sales Expense                                      | 348                    | 1,301           | 2,925        | 167        |  |  |
| 10. | Administrative and General Expense                 | 115,299                | 119,240         | 119,562      | 48,699     |  |  |
| 11. | Total Operation & Maintenance Expense (2 thru 10)  | 6,406,513              | 7,153,742       | 7,004,622    | 3,443,357  |  |  |
| 12. | Depreciation and Amortization Expense              | 293,781                | 304,882         | 308,365      | 152,665    |  |  |
| 13. | Tax Expense - Property & Gross Receipts            | 0                      | 0               | 0            | 0          |  |  |
| 14. | Tax Expense - Other                                | 5,768                  | 5,944           | 5,778        | 2,972      |  |  |
| 15. | Interest on Long-Term Debt                         | 261,503                | 250,810         | 260,188      | 106,090    |  |  |
| 16. | Interest Charged to Construction - Credit          | 0                      | 0               | 0            | 0          |  |  |
| 17. | Interest Expense - Other                           | 6,934                  | 8,382           | 7,146        | 4,477      |  |  |
| 18. | Other Deductions                                   | 485                    | 181             | 241          | 35         |  |  |
| 19. | Total Cost of Electric Service (11 thru 18)        | 6,974,985              | 7,723,941       | 7,586,340    | 3,709,595  |  |  |
| 20. | Patronage Capital & Operating Margins (1 minus 19) | (171,046)              | (308,614)       | 12,423       | (483,617)  |  |  |
| 21. | Non Operating Margins - Interest                   | 13,820                 | 6,154           | 13,275       | 2,998      |  |  |
| 22. | Allowance for Funds Used During Construction       | 0                      | 0               | 0            | 0          |  |  |
| 23. | Income (Loss) from Equity Investments              | 0                      | 0               | 0            |            |  |  |
| 24. | Non Operating Margins - Other                      | (1,077)                | (1,166)         | (1,027)      | (540)      |  |  |
| 25. | Generation and Transmission Capital Credits        | 0                      | 0               | 0            | 0          |  |  |
| 26. | Other Capital Credits and Patronage Dividends      | 21,142                 | 16,616          | 21,197       | 16,616     |  |  |
| 27. | Extraordinary Items                                | 0                      | 0               | 0            | 0          |  |  |
| 28. | Patronage Capital or Margins (20 thru 27)          | (137,161)              | (287,011)       | 45,868       | (464,543)  |  |  |
|     | Part B. Data on T                                  | ransmission and Dis    | tribution Plant |              |            |  |  |
|     | ITEM   | Year-to-Date           | Year-to-Date    |              |            |  |  |
|     |  | Last Year              | This Year       |              |            |  |  |
| -   |  | (a)                    | (b)             |              |            |  |  |
| 1.  | New Services Connected                             | 38                     | 19              |              |            |  |  |
| 2.  | Services Retired                                   | 5                      | 5               |              | ,          |  |  |
| 3.  | Total Services in Place                            | 16,785                 | 17,302          |              | 1          |  |  |
| 4_  | Idle Services (Exclude Seasonals)                  | 1,914                  | 2,058           |              |            |  |  |
| 5.  | Miles Transmission                                 | 0.00                   | 0.00            |              |            |  |  |
| 6.  | Miles Distribution - Overhead                      | 1,855.16               | 1,882.39        |              |            |  |  |
| 7.  | Miles Distribution - Underground                   | 180.74                 | 197.28          |              |            |  |  |
| 8.  | Total Miles Energized (5+6+7)                      | 2,035.90               | 2,079.67        |              |            |  |  |
|     |  |                        |                 |              |            |  |  |

| USDA-RUS   |            | BORROWER DESIGNATION                              |            |
|--|------------|---|------------|
| FINANCIAL AND STATISTICAL REPORT                   |            | KY0030  |            |
|  |            | PERIOD ENDED                                      |            |
|  |            | 02/2009   |            |
|  | Part C. I  | Balance Sheet                                     |            |
| ASSETS AND OTHER DEBITS                            |            | LIABILITIES AND OTHER CREDITS                     |            |
| Total Utility Plant in Service                     | 62,565,369 | 29. Memberships                                   | 0          |
| 2. Consturction Work in Progress                   | 429,016    | 30. Patronage Capital                             | 23,364,026 |
| 3. Total Utility Plant (1+2)                       | 62,994,384 | 31. Operating Margins - Prior Years               | 443,248    |
| 4. Accum. Provision for Depreciation and Amort.    | 10,723,199 | 32. Operating Margins - Current Years             | -289,397   |
| 5. Net Utility Plant (3-4)                         | 52,271,185 | 33. Non-Operating Margins                         | 786,836    |
| 6. Non-Utility Property (Net)                      | 0          | 34. Other Margins and Equities                    | 540,126    |
| 7. Investments in Subsidiary Companies             | 826,036    | 35 Total Margins & Equities (29 thru 34)          | 24,844,839 |
| 8. Invest. In Assoc. Org Patronage Capital         | 6,959,903  | 36. Long-Term Debt - RUS (NET)                    |            |
| 9. Invest. In Assoc. Org Other - General Funds     | 0          | (Payments - Unapplied)                            | 15,286,659 |
| 10. Invest. In Assoc. Org Other - Nongeneral Funds | 703,922    | 37. Long-Term Debt - RUS - Econ. Devel. (Net)     | 15,786,356 |
| 11. Investments in Econnomic Development Projects  | 176,000    | 38. Long-Term Debt - FFB - RUS Guaranteed         | 0          |
| 12. Other Investments                              | 62,100     | 39. Long-Term Debt - Other - RUS Guaranteed       | 3,843,859  |
| 13. Special Funds                                  | D          | 40. Long-Term Debt Other (Net)                    | 0          |
| 14. Total Other Property & Investments (6 thru 13) | 8,727,962  | 41. Total Long-Term Debt (36 thru 40)             | 34,916,874 |
| 15. Cash - General Funds                           | 1,468,791  | 42. Obligations Under Capital Leases - Noncurrent | 0          |
| 16. Cash - Construction Funds - Trustee            | 0          | 43 Accumulated Operating Provisions and Asset     |            |
| 17. Special Deposits                               | 425        | Retirement Obligations                            | 1,867,053  |
| 18. Temporary Investments                          | 15,808     | 44. Total Other Noncurrent Liabilities (42+43)    | 1,867,053  |
| 19. Notes Receivable (Net)                         | 0          | 45. Notes Payable                                 | 0          |
| 20 Accounts Receivable - Sales of Energy (Net)     | 3,794,519  | 46. Accounts Payable                              | 3,629,838  |
| 21. Accounts Receivable - Other (Net)              | 192,202    | 47. Consumers Deposits                            | 379,895    |
| 22. Materials and Supplies - Electric & Other      | 355,526    | 48. Current Maturities Long-Term Debt             | 0          |
| 23. Prepayments                                    | 173,385    | 49. Current Maturities Long-Term Debt-Economic    |            |
| 24. Other Current and Accrued Assets               | 11,469     | Development                                       | 0          |
| 25. Total Current and Accrued Assets (15 thru 24)  | 6,012,125  | 50. Current Maturities Capital Leases             | 0          |

11,844

67,023,116

51. Other Current and Accrued Liabilities

53. Regulatory Liabilities54. Other Deferred Credits

52. Total Current & Accrued Liabilities (45 thru 51)

55. Total Liabilities and Other Credits (35+41+44+52 thru

488,254

4,497,987

896,363

67,023,116

26. Regulatory Assets

27. Other Deferred Debits

28. Total Assets and Other Debits (5+14+25+ thru 27)

#### BORROWER DESIGNATION USDA-RUS KY0030 FINANCIAL AND STATISTICAL REPORT PERIOD ENDED 03/2009 Part A. Statement of Operations Year-to-Date Year-to-Date Year-to-Date ITEM This Month Budget This Year Last Year (c) (a) (b) 2,765,981 11,213,035 10,181,308 10,038,466 Operating Revenue and Patronage Capital 0 Power Production Expense 2,368,239 8,980,516 8,042,435 8.101,429 Cost of Purchased Power 0 0 Transmission Expense 313,357 344,118 119,176 356,673 Distribution Expense - Operation 354,527 96,775 408,487 1.061,760 Distribution Expense - Maintenance 58,316 186,988 171,603 185,087 Customer Accounts Expense 34,211 12,377 39,935 31,073 Customer Service and Informational Expense 602 (699)3,252 647 Sales Expense 187,295 77,173 196,413 179,083 10. Administrative and General Expense 2,732,657 9,883,798 10,090,907 9.203.485 11. Total Operation & Maintenance Expense (2 thru 10) 152,991 463,546 441,623 457,873 12. Depreciation and Amortization Expense 0 0 0 13. Tax Expense - Property & Gross Receipts 2,972 8,916 8,667 8,652 14. Tax Expense - Other 150,356 409,778 401,166 410,294 15. Interest on Long-Term Debt 0 16. Interest Charged to Construction - Credit 0 12,579 10,873 4,197 10,553 17. Interest Expense - Other 241 485 225 18. Other Deductions 3,043,216 10,984,012 10,764,557 10,075,092 19. Total Cost of Electric Service (11 thru 18) (277, 236)(583, 249)229,023 (36,626)20. Patronage Capital & Operating Margins (1 minus 19) 3,131 19,620 20,426 9,285 21. Non Operating Margins - Interest 0 0 0 Allowance for Funds Used During Construction 0 0 0 0 23. Income (Loss) from Equity Investments (338)(1,504)(1,478)(1,550)24. Non Operating Margins - Other 0 0 25. Generation and Transmission Capital Credits 0 16,616 31,649 31,567 26. Other Capital Credits and Patronage Dividends 0 0 0 27. Extraordinary Items 278,814 (274,442)(558,852)13,817 28. Patronage Capital or Margins (20 thru 27) Part B. Data on Transmission and Distribution Plant Year-to-Date Year-to-Date ITEM Last Year This Year (a) 43 41 New Services Connected 11 Services Retired 17,318 17,094 Total Services in Place 1,996 2,083 Idle Services (Exclude Seasonals) 0.00 0.00 Miles Transmission 1,882.95 1,873.57 Miles Distribution - Overhead 197.59 192.77 Miles Distribution - Underground 2.066.34 2,080.54 Total Miles Energized (5+6+7)

| Г   | USDA-RUS                                       |            | BORROW   | ER DESIGNATION                                |            |
|-----|--|------------|----------|---|------------|
|     | FINANCIAL AND STATISTICAL REPORT               |            |          | KY0030  |            |
|     |  |            | PERIOD E |   |            |
|     |  |            |          | 03/2009                                       |            |
| Γ   |  | Part C.    | Balanc   | e Sheet                                       |            |
|     | ASSETS AND OTHER DEBITS                        |            |          | LIABILITIES AND OTHER CREDITS                 |            |
| 1.  | Total Utility Plant in Service                 | 62,695,385 | 29.      | Memberships                                   | 0          |
| 2.  | Consturction Work in Progress                  | 561,734    | 30.      | Patronage Capital                             | 23,359,233 |
| 3.  | Total Utility Plant (1+2)                      | 63,257,119 | 31.      | Operating Margins - Prior Years               | 443,248    |
| 4.  | Accum. Provision for Depreciation and Amort.   | 10,843,759 | 32.      | Operating Margins - Current Years             | -566,633   |
| 5.  | Net Utility Plant (3-4)                        | 52,413,360 | 33.      | Non-Operating Margins                         | 789,630    |
| 6.  | Non-Utility Property (Net)                     | 0          | 34.      | Other Margins and Equities                    | 543,365    |
| 7.  | Investments in Subsidiary Companies            | 826,036    | 35.      | Total Margins & Equities (29 thru 34)         | 24,568,843 |
| 8.  | Invest. In Assoc. Org Patronage Capital        | 6,959,903  | 36.      | Long-Term Debt - RUS (NET)                    |            |
| 9.  | Invest. In Assoc. Org Other - General Funds    | 0          |          | (Payments - Unapplied)                        | 15,203,072 |
| 10. | Invest. In Assoc. Org Other - Nongeneral Funds | 702,507    | 37.      | Long-Term Debt - RUS - Econ Devel. (Net)      | 0          |
| 11. | Investments in Econnomic Development Projects  | 171,000    | 38.      | Long-Term Debt - FFB - RUS Guaranteed         | 15,706,721 |
| 12. | Other Investments                              | 62,100     | 39.      | Long-Term Debt - Other - RUS Guaranteed       | 0          |
| 13. | Special Funds                                  | 0          | 40.      | Long-Term Debt Other (Net)                    | 3,843,859  |
| 14. | Total Other Property & Investments (6 thru 13) | 8,721,547  | 41.      | Total Long-Term Debt (36 thru 40)             | 34,753,653 |
| 15. | Cash - General Funds                           | 1,428,722  | 42.      | Obligations Under Capital Leases - Noncurrent | 0          |
| 16. | Cash - Construction Funds - Trustee            | 0          | 43       | Accumulated Operating Provisions and Asset    |            |
| 17. | Special Deposits                               | 425        |          | Retirement Obligations                        | 1,872,493  |
| 18. | Temporary Investments                          | 9,011      | 44.      | Total Other Noncurrent Liabilities (42+43)    | 1,872,493  |
| 19. | Notes Receivable (Net)                         | 0          | 45.      | Notes Payable                                 | 0          |
| 20  | Accounts Receivable - Sales of Energy (Net)    | 2,978,613  | 46,      | Accounts Payable                              | 3,297,827  |
| 21. | Accounts Receivable - Other (Net)              | 210,286    | 47.      | Consumers Deposits                            | 379,445    |
| 22. | Materials and Supplies - Electric & Other      | 304,829    | 48.      | Current Maturities Long-Term Debt             | 0          |
| 23. | Prepayments                                    | 147,861    | 49.      | Current Maturities Long-Term Debt-Economic    |            |
| 24. | Other Current and Accrued Assets               | 13,758     |          | Development                                   | 0          |
|     |  |            |          |   |            |

5,093,504

11,872

66,240,283

50. Current Maturities Capital Leases

53. Regulatory Liabilities54. Other Deferred Credits

51. Other Current and Accrued Liabilities

52. Total Current & Accrued Liabilities (45 thru 51).

55. Total Liabilities and Other Credits (35+41+44+52 thru 54)

474,076

4,151,348

893,946

66,240,283

25. Total Current and Accrued Assets (15 thru 24)

28. Total Assets and Other Debits (5+14+25+ thru 27)

26. Regulatory Assets

27. Other Deferred Debits

#### BORROWER DESIGNATION **USDA-RUS** FINANCIAL AND STATISTICAL REPORT KY0030 PERIOD ENDED 04/2009 Part A. Statement of Operations Year-to-Date Year-to-Date Year-to-Date ITEM Last Year This Year Budget This Month (c) (d) (a) (b) 14,211,188 2,822,681 13,003,989 12,727,495 Operating Revenue and Patronage Capital Power Production Expense 10,148,857 11,292,970 2,047,428 10,113,336 Cost of Purchased Power Transmission Expense 456,054 123,789 437,146 Distribution Expense - Operation 465,029 632,736 451,911 (429,024)523,865 Distribution Expense - Maintenance 245,717 59,171 242,430 230,774 Customer Accounts Expense 53,930 48,477 13,994 Customer Service and Informational Expense 42,896 194 (505)4,079 1,090 Sales Expense 59,724 259,504 252,768 256,137 Administrative and General Expense 12,758,712 1,875,277 11,759,074 11,641,414 Total Operation & Maintenance Expense (2 thru 10) 611,340 619,321 153,468 590,030 12. Depreciation and Amortization Expense 13. Tax Expense - Property & Gross Receipts 11,888 11,556 2,972 11,536 14. Tax Expense - Other 554,498 144,720 553,994 545,886 15. Interest on Long-Term Debt 0 0 16. Interest Charged to Construction - Credit 18,656 13,234 6.077 17. Interest Expense - Other 12,809 344 569 456 694 18. Other Deductions 2,182,858 13,957,777 12,947,414 19. Total Cost of Electric Service (11 thru 18) 12,810,477 639,824 56,575 253,411 (82,982) 20. Patronage Capital & Operating Margins (1 minus 19) 2,920 27,706 12,205 26,613 21. Non Operating Margins - Interest 0 ٥ 0 0 22. Allowance for Funds Used During Construction 0 0 0 0 Income (Loss) from Equity Investments (443) (1,947)(3,961)12,005 24. Non Operating Margins - Other 0 0 0 Generation and Transmission Capital Credits 16,616 31,569 0 31,487 Other Capital Credits and Patronage Dividends 0 0 0 27. Extraordinary Items 642,300 83,448 307,632 (11,783)28. Patronage Capital or Margins (20 thru 27) Part B. Data on Transmission and Distribution Plant Year-to-Date Year-to-Date ITEM This Year Last Year (b) (a) 68 53 New Services Connected 10 14 Services Retired 17,327 17,117 Total Services in Place 1,998 2,060 Idle Services (Exclude Seasonals) 0.00 0.00 Miles Transmission 1,883,27 1,874.00 Miles Distribution - Overhead 197.95 193.06 Miles Distribution - Underground

2,081.22

2,067.06

Total Miles Energized (5+6+7)

|           | BORROWER DESIGNATION  |                                 |  |  |  |
|-----------|---|---------------------------------|--|--|--|
|           | KY0030  |                                 |  |  |  |
|           | PERIOD ENDED  |                                 |  |  |  |
|           | 04/2009   |                                 |  |  |  |
| Part C.   | Balance Sheet   |                                 |  |  |  |
|           | LIABILITIES AND OTHER CREDITS   |                                 |  |  |  |
| 2,869,092 | 29. Memberships   | 0                               |  |  |  |
| 491,500   | 30. Patronage Capital   | 23,356,061                      |  |  |  |
| 3,360,592 | 31. Operating Margins - Prior Years   | 443,248                         |  |  |  |
| 0,949,525 | 32. Operating Margins - Current Years   | 73,191                          |  |  |  |
| 2,411,067 | 33. Non-Operating Margins   | 792,106                         |  |  |  |
| O         | 34. Other Margins and Equities  | 543,635                         |  |  |  |
| 826,036   | 35. Total Margins & Equities (29 thru 34)   | 25,208,240                      |  |  |  |
| 6,959,903 | 36. Long-Term Debt - RUS (NET)  |                                 |  |  |  |
| 0         | (Payments - Unapplied)  | 15,172,006                      |  |  |  |
| 702,507   | 37. Long-Term Debt - RUS - Econ. Devel. (Net)   | 0                               |  |  |  |
| 166,000   | 38. Long-Term Debt - FFB - RUS Guaranteed   | 15,706,721                      |  |  |  |
| 84,656    | 39. Long-Term Debt - Other - RUS Guaranteed   | 0                               |  |  |  |
| 0         | 40. Long-Term Debt Other (Net)  | 3,843,859                       |  |  |  |
| 8,739,103 | 41. Total Long-Term Debt (36 thru 40)   | 34,722,586                      |  |  |  |
| 1,121,856 | 42. Obligations Under Capital Leases - Noncurrent   | 0                               |  |  |  |
| 0         | 43. Accumulated Operating Provisions and Asset  |                                 |  |  |  |
| 425       | Retirement Obligations  | 1,875,842                       |  |  |  |
| 825,000   | 44. Total Other Noncurrent Liabilities (42+43)  | 1,875,842                       |  |  |  |
| 0         | 45. Notes Payable   | 0                               |  |  |  |
| 2,986,760 | 46. Accounts Payable  | 3,926,016                       |  |  |  |
| 1,033,339 | 47. Consumers Deposits  | 383,195                         |  |  |  |
| 310,844   | 48. Current Maturities Long-Term Debt   | 0                               |  |  |  |
| 132,059   | 49. Current Maturities Long-Term Debt-Economic  |                                 |  |  |  |
| 2,022     | Development   | 0                               |  |  |  |
| 6,412,305 | 50. Current Maturities Capital Leases   | 0                               |  |  |  |
| 0         | 51. Other Current and Accrued Liabilities   | 640,488                         |  |  |  |
| 86,495    | 52. Total Current & Accrued Liabilities (45 thru 51)  | 4,949,699                       |  |  |  |
| 7,648,970 | 53. Regulatory Liabilities  | 0                               |  |  |  |
|           | 54. Other Deferred Credits  | 892,602                         |  |  |  |
|           | 2,869,092<br>491,500<br>3,360,592<br>0,949,525<br>2,411,067<br>0<br>826,036<br>6,959,903<br>0<br>702,507<br>166,000<br>84,656<br>0<br>8,739,103<br>1,121,856<br>0<br>425<br>825,000<br>0<br>2,986,760<br>1,033,339<br>310,844<br>132,059<br>2,022<br>6,412,305<br>0<br>86,495 | KY0030   PERIOD ENDED   O4/2009 |  |  |  |

55. Total Liabilities and Other Credits (35+41+44+52 thru 54)

67,648,970

|     | USDA-RUS   | BORROWER DESIGNATION   | DN              |              |            |  |  |  |
|-----|--|------------------------|-----------------|--------------|------------|--|--|--|
|     | FINANCIAL AND STATISTICAL REPORT                   | KY0030 PERIOD ENDED    |                 |              |            |  |  |  |
|     |  |                        |                 |              |            |  |  |  |
|     |  | }                      | 05/2009         |              |            |  |  |  |
|     | Part A   | . Statement of Operati | ons             |              |            |  |  |  |
|     | ITEM   | Year-to-Date           | Year-to-Date    | Year-to-Date |            |  |  |  |
|     |  | Last Year              | This Year       | Budget       | This Month |  |  |  |
|     |  | (a)                    | (p)             | (c)          | (d)        |  |  |  |
| 1.  | Operating Revenue and Patronage Capital            | 15,368,286             | 15,738,523      | 17,159,607   | 2,734,53   |  |  |  |
| 2   | Power Production Expense                           | 0                      | 0               | 0            |            |  |  |  |
| 3.  | Cost of Purchased Power                            | 12,084,974             | 12,135,991      | 13,494,583   | 1,987,13   |  |  |  |
| 4.  | Transmission Expense                               | 0                      | 0               | 0            |            |  |  |  |
| 5.  | Distribution Expense - Operation                   | 577,276                | 551,915         | 568,581      | 114,76     |  |  |  |
| ĝ.  | Distribution Expense - Maintenance                 | 586,327                | 753,167         | 564,652      | 120,43     |  |  |  |
| 7.  | Customer Accounts Expense                          | 298,706                | 285,918         | 303,667      | 55,14      |  |  |  |
| 8.  | Customer Service and Informational Expense         | 50,864                 | 66,027          | 61,527       | 12,09      |  |  |  |
| 9.  | Sales Expense                                      | 1,370                  | (302)           | 4,384        | 20         |  |  |  |
| 10. | Administrative and General Expense                 | 311,441                | 329,820         | 317,857      | 73,68      |  |  |  |
| 11. | Total Operation & Maintenance Expense (2 thru 10)  | 13,910,959             | 14,122,536      | 15,315,251   | 2,363,46   |  |  |  |
| 12. | Depreciation and Amortization Expense              | 738,940                | 765,125         | 775,625      | 153,78     |  |  |  |
| 13. | Tax Expense - Property & Gross Receipts            | 0                      | 0               | 0            |            |  |  |  |
| 14. | Tax Expense - Other                                | 14,420                 | 14,860          | 14,444       | 2,97       |  |  |  |
| 15. | Interest on Long-Term Debt                         | 689,838                | 666,337         | 690,416      | 120,45     |  |  |  |
| 16. | Interest Charged to Construction - Credit          | . 0                    | 0               | 0            |            |  |  |  |
| 17. | Interest Expense - Other                           | 14,672                 | 25,173          | 15,190       | 6,51       |  |  |  |
| 18. | Other Deductions                                   | 882                    | 569             | 649          |            |  |  |  |
| 19. | Total Cost of Electric Service (11 thru 18)        | 15,369,711             | 15,594,600      | 16,811,575   | 2,647,18   |  |  |  |
| 20. | Patronage Capital & Operating Margins (1 minus 19) | (1,425)                | 143,924         | 348,032      | 87,34      |  |  |  |
| 21. | Non Operating Margins - Interest                   | 35,169                 | 15,067          | 33,782       | 2,86       |  |  |  |
| 22. | Allowance for Funds Used During Construction       | 0                      | 0               | 0            |            |  |  |  |
| 23. | Income (Loss) from Equity Investments              | 0                      | 0               | 0            |            |  |  |  |
| 24. | Non Operating Margins - Other                      | 11,574                 | (2,267)         | (4,372)      | (32        |  |  |  |
| 25. | Generation and Transmission Capital Credits        | 0                      | 0               | 0            |            |  |  |  |
| 26. | Other Capital Credits and Patronage Dividends      | 31,487                 | 16,616          | 31,569       |            |  |  |  |
| 27. | Extraordinary Items                                | 0                      | 0               | 0            |            |  |  |  |
| 28. | Patronage Capital or Margins (20 thru 27)          | 76,805                 | 173,339         | 409,011      | 89,88      |  |  |  |
|     | Part B. Data on                                    | Transmission and Dis   | tribution Plant |              |            |  |  |  |
|     | ITEM   | Year-to-Date           | Year-to-Date    |              |            |  |  |  |
|     |  | Last Year              | This Year       |              |            |  |  |  |
|     |  | (a)                    | (b)             |              |            |  |  |  |
| 1.  | New Services Connected                             | 91                     | 70              |              |            |  |  |  |
| 2.  | Services Retired                                   | 13                     | 16              |              |            |  |  |  |
| 3.  | Total Services in Place                            | 17,137                 | 17,342          |              |            |  |  |  |
| 4_  | Idle Services (Exclude Seasonals)                  | 1,971                  | 2,063           |              |            |  |  |  |
| 5.  | Miles Transmission                                 | 0.00                   | 0.00            |              |            |  |  |  |
| 6.  | Miles Distribution - Overhead                      | 1,874.64               | 1,883.64        |              |            |  |  |  |
| 7.  | Miles Distribution - Underground                   | 193.36                 | 198.07          |              |            |  |  |  |
| 8.  | Total Miles Energized (5+6+7)                      | 2,068.00               | 2,081.70        |              |            |  |  |  |

|     | USDA-RUS                                       |            | BORROW   | ER DESIGNATION                                   |   |  |  |
|-----|--|------------|----------|--|---|--|--|
|     | FINANCIAL AND STATISTICAL REPORT               |            | KY0030   |  |   |  |  |
| 1   |  |            | PERIOD E |  |   |  |  |
| 1   |  |            |          | 05/2009  |   |  |  |
|     |  | Part C.    | Balance  | Sheet  | *************************************** |  |  |
|     | ASSETS AND OTHER DEBITS                        |            |          | LIABILITIES AND OTHER CREDITS                    |   |  |  |
| 1.  | Total Utility Plant in Service                 | 62,995,045 | 29.      | Memberships                                      | 0                                       |  |  |
| 2.  | Consturction Work in Progress                  | 523,376    | 30.      | Patronage Capital                                | 23,343,501                              |  |  |
| 3.  | Total Utility Plant (1+2)                      | 63,518,421 | 31.      | Operating Margins - Prior Years                  | 443,248                                 |  |  |
| 4.  | Accum, Provision for Depreciation and Amort    | 11,075,551 | 32.      | Operating Margins - Current Years                | 160,540                                 |  |  |
| 5.  | Net Utility Plant (3-4)                        | 52,442,870 | 33.      | Non-Operating Margins                            | 794,648                                 |  |  |
| 6.  | Non-Utility Property (Net)                     | 0          | 34.      | Other Margins and Equities                       | 552,488                                 |  |  |
| 7.  | Investments in Subsidiary Companies            | 826,036    | 35.      | Total Margins & Equities (29 thru 34)            | 25,294,424                              |  |  |
| 8.  | Invest. In Assoc. Org Patronage Capital        | 6,959,903  | 36.      | Long-Term Debt - RUS (NET)                       | 15,146,299                              |  |  |
| 9.  | Invest. In Assoc. Org Other - General Funds    | 0          |          | (Payments - Unapplied)                           |   |  |  |
| 10. | Invest, In Assoc. Org Other - Nongeneral Funds | 702,507    | 37.      | Long-Term Debt - RUS - Econ. Devel. (Net)        | 0                                       |  |  |
| 11. | Investments in Econnomic Development Projects  | 161,000    | 38.      | Long-Term Debt - FFB - RUS Guaranteed            | 15,706,721                              |  |  |
| 12. | Other Investments                              | 84,656     | 39.      | Long-Term Debt - Other - RUS Guaranteed          | 0                                       |  |  |
| 13. | Special Funds                                  | 0          | 40.      | Long-Term Debt Other (Net)                       | 3,793,469                               |  |  |
| 14. | Total Other Property & Investments (6 thru 13) | 8,734,103  | 41.      | Total Long-Term Debt (36 thru 40)                | 34,646,489                              |  |  |
| 15. | Cash - General Funds                           | 1,393,263  | 42.      | Obligations Under Capital Leases - Noncurrent    | 0                                       |  |  |
| 16. | Cash - Construction Funds - Trustee            | 0          | 43       | Accumulated Operating Provisions and Asset       |   |  |  |
| 17. | Special Deposits                               | 425        |          | Retirement Obligations                           | 1,880,607                               |  |  |
| 18. | Temporary Investments                          | 5,459      | 44.      | Total Other Noncurrent Liabilities (42+43)       | 1,880,607                               |  |  |
| 19. | Notes Receivable (Net)                         | 0          | 45.      | Notes Payable                                    | 0                                       |  |  |
| 20  | Accounts Receivable - Sales of Energy (Net)    | 3,085,812  | 46.      | Accounts Payable                                 | 3,449,059                               |  |  |
| 21. | Accounts Receivable - Other (Net)              | 1,053,972  | 47.      | Consumers Deposits                               | 381,870                                 |  |  |
| 22. | Materials and Supplies - Electric & Other      | 262,239    | 48.      | Current Maturities Long-Term Debt                | 0                                       |  |  |
| 23. | Prepayments                                    | 120,287    | 49.      | Current Maturities Long-Term Debt-Economic       |   |  |  |
| 24. | Other Current and Accrued Assets               | 4,311      |          | Development                                      | 0                                       |  |  |
| 25. | Total Current and Accrued Assets (15 thru 24)  | 5,925,767  | 50.      | Current Maturities Capital Leases                | 0                                       |  |  |
| 26. | Regulatory Assets                              | 0          | 51.      | Other Current and Accrued Liabilities            | 647,457                                 |  |  |
| 27. | Other Deferred Debits                          | 86,495     | 52.      | Total Current & Accrued Liabilities (45 thru 51) | 4,478,387                               |  |  |

67,189,235

53. Regulatory Liabilities54. Other Deferred Credits

55. Total Liabilities and Other Credits (35+41+44+52 thru 54)

889,328

67,189,235

28. Total Assets and Other Debits (5+14+25+ thru 27)

#### USDA-RUS BORROWER DESIGNATION FINANCIAL AND STATISTICAL REPORT KY0030 PERIOD ENDED 06/2009 Part A. Statement of Operations ITEM Year-to-Date Year-to-Date Year-to-Date Last Year This Year Budget This Month (a) (b) (c) (d) 18,325,709 18,825,181 20,462,996 3,086,657 Operating Revenue and Patronage Capital Power Production Expense Cost of Purchased Power 14,347,388 14,383,080 16,020,888 2,247,089 Transmission Expense 0 0 677,351 666,257 674,967 114,342 Distribution Expense - Operation Distribution Expense - Maintenance 701,093 923,770 673,711 170,603 56,365 Customer Accounts Expense 363,754 342,283 365,853 Customer Service and Informational Expense 81,077 74,893 15,049 61,277 Sales Expense 1.753 (45)4,800 258 384,998 10. Administrative and General Expense 427,641 402.541 97,821 16,824,063 18,217,653 2,701,527 11. Total Operation & Maintenance Expense (2 thru 10) 16,537,614 12. Depreciation and Amortization Expense 888,479 919,670 932,588 154,545 13. Tax Expense - Property & Gross Receipts 0 0 0 0 17,832 17,333 2,972 14. Tax Expense - Other 17,304 15. Interest on Long-Term Debt 837,753 820,528 839,168 154,191 16. Interest Charged to Construction - Credit 0 17. Interest Expense - Other 17,086 7,369 16,478 32,542 18. Other Deductions 922 705 690 136 18,298,551 18,615,339 20,024,518 3,020,740 19. Total Cost of Electric Service (11 thru 18) 20. Patronage Capital & Operating Margins (1 minus 19) 209,841 438,478 65,917 27,158 21. Non Operating Margins - Interest 42,756 18,482 41,070 3,415 0 22. Allowance for Funds Used During Construction 0 0 0 0 0 0 0 23. Income (Loss) from Equity Investments 24. Non Operating Margins - Other 37,883 (2,851)(9,002)(584)25. Generation and Transmission Capital Credits 0 0 0 0 22,968 Other Capital Credits and Patronage Dividends 31,487 31,569 6,352 27. Extraordinary Items 0 139,284 248,440 502,115 75,100 28. Patronage Capital or Margins (20 thru 27) Part B. Data on Transmission and Distribution Plant **ITEM** Year-to-Date Year-to-Date Last Year This Year (a) (b) New Services Connected 110 84 16 Services Retired 23 17,349 Total Services in Place 17,153 2,049 1,947 Idle Services (Exclude Seasonals) 0.00 0.00 Miles Transmission

1,875.66

2,069.49

193.83

1,885.23

2,083.47

198.24

Miles Distribution - Overhead

Total Miles Energized (5+6+7)

Miles Distribution - Underground

| USDA-RUS                         | BORROWER DESIGNATION |
|----------------------------------|----------------------|
| FINANCIAL AND STATISTICAL REPORT | KY0030               |
|                                  | 06/2009              |

| Part C. Balance Sheet                                |            |   |            |  |  |  |  |
|--|------------|---|------------|--|--|--|--|
| ASSETS AND OTHER DEBITS                              |            | LIABILITIES AND OTHER CREDITS                                 |            |  |  |  |  |
| Total Utility Plant in Service                       | 63,307,301 | 29. Memberships   | 0          |  |  |  |  |
| Consturction Work in Progress                        | 470,867    | 30. Patronage Capital   | 23,336,138 |  |  |  |  |
| 3. Total Utility Plant (1+2)                         | 63,778,168 | 31. Operating Margins - Prior Years                           | 443,248    |  |  |  |  |
| Accum. Provision for Depreciation and Amort.         | 11,192,413 | 32. Operating Margins - Current Years                         | 232,809    |  |  |  |  |
| 5. Net Utility Plant (3-4)                           | 52,585,755 | 33. Non-Operating Margins                                     | 797,479    |  |  |  |  |
| Non-Utility Property (Net)                           | 0          | 34. Other Margins and Equities                                | 556,729    |  |  |  |  |
| 7. Investments in Subsidiary Companies               | 826,036    | 35. Total Margins & Equities (29 thru 34)                     | 25,366,403 |  |  |  |  |
| Invest. In Assoc. Org Patronage Capital              | 6,959,903  | 36. Long-Term Debt - RUS (NET)                                | 15,115,002 |  |  |  |  |
| 9. Invest. In Assoc. Org Other - General Funds       | 0          | (Payments - Unapplied)  | 0          |  |  |  |  |
| 10. Invest. In Assoc. Org Other - Nongeneral Funds   | 702,507    | 37. Long-Term Debt - RUS - Econ. Devel (Net)                  | 0          |  |  |  |  |
| 11. Investments in Econnomic Development Projects    | 156,000    | 38. Long-Term Debt - FFB - RUS Guaranteed                     | 15,628,164 |  |  |  |  |
| 12. Other Investments                                | 91,008     | 39. Long-Term Debt - Other - RUS Guaranteed                   | 0          |  |  |  |  |
| 13. Special Funds                                    | 0          | 40. Long-Term Debt Other (Net)                                | 3,793,469  |  |  |  |  |
| 14. Total Other Property & Investments (6 thru 13)   | 8,735,455  | 41. Total Long-Term Debt (36 thru 40)                         | 34,536,634 |  |  |  |  |
| 15. Cash - General Funds                             | 1,573,691  | 42. Obligations Under Capital Leases - Noncurrent             | 0          |  |  |  |  |
| 16. Cash - Construction Funds - Trustee              | 0          | 43. Accumulated Operating Provisions and Asset                |            |  |  |  |  |
| 17. Special Deposits                                 | 425        | Retirement Obligations  | 1,882,423  |  |  |  |  |
| 18. Temporary Investments                            | 6,180      | 44. Total Other Noncurrent Liabilities (42+43)                | 1,882,423  |  |  |  |  |
| Notes Receivable (Net)                               | 0          | 45. Notes Payable   | 0          |  |  |  |  |
| 20 Accounts Receivable - Sales of Energy (Net)       | 3,153,349  | 46. Accounts Payable  | 3,965,341  |  |  |  |  |
| 21. Accounts Receivable - Other (Net)                | 1,072,001  | 47. Consumers Deposits  | 384,195    |  |  |  |  |
| 22. Materials and Supplies - Electric & Other        | 280,203    | 48. Current Maturities Long-Term Debt                         | 0          |  |  |  |  |
| 23. Prepayments                                      | 103,221    | 49 Current Maturities Long-Term Debt-Economic                 |            |  |  |  |  |
| 24. Other Current and Accrued Assets                 | 7,067      | Development   | 0          |  |  |  |  |
| 25. Total Current and Accrued Assets (15 thru 24)    | 6,196,138  | 50. Current Maturities Capital Leases                         | 0          |  |  |  |  |
| 26. Regulatory Assets                                | 0          | 51. Other Current and Accrued Liabilities                     | 595,082    |  |  |  |  |
| 27. Other Deferred Debits                            | 101,485    | 52. Total Current & Accrued Liabilities (45 thru 51)          | 4,944,618  |  |  |  |  |
| 28. Total Assets and Other Debits (5+14+25+ thru 27) | 67,618,833 | 53. Regulatory Liabilities                                    | C          |  |  |  |  |
|  |            | 54. Other Deferred Credits                                    | 888,755    |  |  |  |  |
|  |            | 55. Total Liabilities and Other Credits (35+41+44+52 thru 54) | 67,618,833 |  |  |  |  |

| <u> </u> | USDA-RUS   | BORROWER DESIGNATIO  | N .             |              |            |  |  |  |
|----------|--|----------------------|-----------------|--------------|------------|--|--|--|
|          |  |                      |                 |              |            |  |  |  |
|          | FINANCIAL AND STATISTICAL REPORT                   | KY0030 PERIOD ENDED  |                 |              |            |  |  |  |
|          |  | 07/2009              |                 |              |            |  |  |  |
|          | Dowt A   | Statement of Operati |                 |              |            |  |  |  |
|          | ITEM   | Year-to-Date         | Year-to-Date    | Year-to-Date |            |  |  |  |
|          | 77.6371  | Last Year            | This Year       | Budget       | This Month |  |  |  |
|          |  | (a)                  | (b)             | (c)          | (d)        |  |  |  |
| 1.       | Operating Revenue and Patronage Capital            | 21,403,055           | 21,926,024      | 23,894,574   | 3,100,843  |  |  |  |
| 2        | Power Production Expense                           | 0                    | 0               | 0            | 0          |  |  |  |
| 3.       | Cost of Purchased Power                            | 16,978,570           | 16,623,324      | 18,958,975   | 2,240,244  |  |  |  |
| 4.       | Transmission Expense                               | 0                    | 0               | 0            | 0          |  |  |  |
| 5.       | Distribution Expense - Operation                   | 785,858              | 768,510         | 780,924      | 102,253    |  |  |  |
| 6.       | Distribution Expense - Maintenance                 | 893,750              | 1,109,205       | 807,649      | 185,435    |  |  |  |
| 7,       | Customer Accounts Expense                          | 418,084              | 402,106         | 414,247      | 59,823     |  |  |  |
| 8.       | Customer Service and Informational Expense         | 74,086               | 95,656          | 93,832       | 14,579     |  |  |  |
| 9.       | Sales Expense                                      | 2,076                | 130             | 5,150        | 175        |  |  |  |
| 10.      | Administrative and General Expense                 | 465,354              | 534,734         | 485,357      | 107,093    |  |  |  |
| 11.      | Total Operation & Maintenance Expense (2 thru 10)  | 19,617,779           | 19,533,665      | 21,546,134   | 2,709,602  |  |  |  |
| 12.      | Depreciation and Amortization Expense              | 1,038,167            | 1,074,575       | 1,089,708    | 154,905    |  |  |  |
| 13.      | Tax Expense - Property & Gross Receipts            | 0                    | 0               | 0            | 0          |  |  |  |
| 14.      | Tax Expense - Other                                | 20,188               | 20,804          | 20,222       | 2,972      |  |  |  |
| 15.      | Interest on Long-Term Debt                         | 981,453              | 965,248         | 983,888      | 144,720    |  |  |  |
| 16.      | Interest Charged to Construction - Credit          | 0                    | 0               | 0            | 0          |  |  |  |
| 17.      | Interest Expense - Other                           | 18,352               | 40,845          | 19,054       | 8,303      |  |  |  |
| 18.      | Other Deductions                                   | 1,140                | . 923           | 914          | 218        |  |  |  |
| 19.      | Total Cost of Electric Service (11 thru 18)        | 21,677,079           | 21,636,060      | 23,659,920   | 3,020,720  |  |  |  |
| 20.      | Patronage Capital & Operating Margins (1 minus 19) | (274,024)            | 289,964         | 234,654      | 80,123     |  |  |  |
| 21.      | Non Operating Margins - Interest                   | 49,586               | 21,488          | 47,631       | 3,007      |  |  |  |
| 22.      | Allowance for Funds Used During Construction       | 0                    | 0               | 0            | 0          |  |  |  |
| 23.      | Income (Loss) from Equity Investments              | 0                    | 0               | 0            | 0          |  |  |  |
| 24.      | Non Operating Margins - Other                      | 64,417               | 4,848           | (13,417)     | 7,699      |  |  |  |
| 25.      | Generation and Transmission Capital Credits        | 0                    | 0               | 0            | 0          |  |  |  |
| 26.      | Other Capital Credits and Patronage Dividends      | 31,487               | 24,934          | 31,569       | 1,966      |  |  |  |
| 27.      | Extraordinary Items                                | 0                    | 0               | 0            | 0          |  |  |  |
| 28.      | Patronage Capital or Margins (20 thru 27)          | (128,533)            | 341,235         | 300,437      | 92,795     |  |  |  |
|          | Part B. Data on                                    | Transmission and Dis | tribution Plant |              |            |  |  |  |
|          | ITEM   | Year-to-Date         | Year-to-Date    |              |            |  |  |  |
|          |  | Last Year            | This Year       |              |            |  |  |  |
| _        | -  | (a)                  | (b)             |              |            |  |  |  |
| 1.       | New Services Connected                             | 140                  | 99              |              |            |  |  |  |
| 2.       | Services Retired                                   | 17                   | 33              |              |            |  |  |  |
| 3.       | Total Services in Place                            | 17,182               | 17,354          |              |            |  |  |  |
| 4        | Idle Services (Exclude Seasonals)                  | 1,961                | 2,022           |              |            |  |  |  |
| 5.       | Miles Transmission                                 | 0.00                 | 0.00            |              |            |  |  |  |
| 6.       | Miles Distribution - Overhead                      | 1,876.29             | 1,885.51        |              |            |  |  |  |
| 7.       | Miles Distribution - Underground                   | 194.49               | 198.48          |              |            |  |  |  |

2,083.99

2,070.78

8. Total Miles Energized (5+6+7)

| USDA-RUS   | 1          | BORROWE   | R DESIGNATION                                 |            |
|--|------------|-----------|---|------------|
| FINANCIAL AND STATISTICAL REPORT                   | 1          |           | KY0030  |            |
|  | Ĭ          | PERIOD EN | NDED  |            |
|  |            |           | 07/2009                                       |            |
|  | Part C.    | Balance   |   |            |
| ASSETS AND OTHER DEBITS                            |            |           | LIABILITIES AND OTHER CREDITS                 |            |
| Total Utility Plant in Service                     | 63,478,258 | 29.       | Memberships                                   | 0          |
| Consturction Work in Progress                      | 498,796    | 30.       | Patronage Capital                             | 23,326,535 |
| 3. Total Utility Plant (1+2)                       | 63,977,053 | 31.       | Operating Margins - Prior Years               | 443,248    |
| Accum. Provision for Depreciation and Amort.       | 11,336,003 | 32.       | Operating Margins - Current Years             | 314,898    |
| 5. Net Utility Plant (3-4)                         | 52,641,050 | 33.       | Non-Operating Margins                         | 808,185    |
| 6. Non-Utility Property (Net)                      | 0          | 34.       | Other Margins and Equities                    | 563,291    |
| 7. Investments in Subsidiary Companies             | 826,036    | 35.       | Total Margins & Equities (29 thru 34)         | 25,456,157 |
| Invest. In Assoc. Org Patronage Capital            | 6,959,903  | 36.       | Long-Term Debt - RUS (NET)                    | 15,085,335 |
| 9. Invest. In Assoc. Org Other - General Funds     | 0          |           | (Payments - Unapplied)                        | 0          |
| 10. Invest. In Assoc. Org Other - Nongeneral Funds | 702,507    | 37.       | Long-Term Debt - RUS - Econ. Devel. (Net)     | 0          |
| 11. Investments in Econnomic Development Projects  | 451,000    | 38.       | Long-Term Debt - FFB - RUS Guaranteed         | 15,628,164 |
| 12. Other Investments                              | 91,008     | 39.       | Long-Term Debt - Other - RUS Guaranteed       | 0          |
| 13. Special Funds                                  | 0          | 40.       | Long-Term Debt Other (Net)                    | 3,793,469  |
| 14. Total Other Property & Investments (6 thru 13) | 9,030,455  | 41.       | Total Long-Term Debt (36 thru 40)             | 34,506,968 |
| 15. Cash - General Funds                           | 1,389,790  | 42.       | Obligations Under Capital Leases - Noncurrent | 0          |
| 16. Cash - Construction Funds - Trustee            | 0          | 43.       | Accumulated Operating Provisions and Asset    |            |
| 17. Special Deposits                               | 425        |           | Retirement Obligations                        | 1,895,285  |
| 18. Temporary Investments                          | 930,613    | 44.       | Total Other Noncurrent Liabilities (42+43)    | 1,895,285  |
| 9. Notes Receivable (Net)                          | . 0        | 45.       | Notes Payable                                 | 0          |
| 20 Accounts Receivable - Sales of Energy (Net)     | 3,127,546  | 46.       | Accounts Payable                              | 4,456,074  |
| 21. Accounts Receivable - Other (Net)              | 552,185    | 47.       | Consumers Deposits                            | 386,110    |
| 22. Materials and Supplies - Electric & Other      | 295,332    | 48.       | Current Maturities Long-Term Debt             | 0          |
| 23. Prepayments                                    | 74,098     | 49        | Current Maturities Long-Term Debt-Economic    |            |
| 24. Other Current and Accrued Assets               | 9,436      | 3         | Development                                   | 0          |

50. Current Maturities Capital Leases

53. Regulatory Liabilities

54. Other Deferred Credits

51. Other Current and Accrued Liabilities

52. Total Current & Accrued Liabilities (45 thru 51)

55. Total Liabilities and Other Credits (35+41+44+52 thru 54)

561,017

897,015

68,158,625

5,403,201

6,379,425

107,695

68,158,625

26. Regulatory Assets

27. Other Deferred Debits

25. Total Current and Accrued Assets (15 thru 24)

28. Total Assets and Other Debits (5+14+25+ thru 27)

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Witness: Jim Adkins

# SHELBY ENERGY COOPERATIVE CASE NO. 2009-00410

### **COST OF SERVICE STUDY**

November 2009 - J. Adkins

Exhibit R
Schedule 1
Page of 30
Wintess: Jim Adkins

### TEST YEAR REVENUE REQUIREMENTS

| ·  |            |  |              |          |             |             |                 |             |             |            |
|----|------------|--|--------------|----------|-------------|-------------|-----------------|-------------|-------------|------------|
|    |            | The second secon |              |          |             | TEST YEAR   | <b>EXPENSES</b> |             |             |            |
| -  |            |  |              |          |             |             |                 |             | Sum of      |            |
| ļ  |            |  |              | Adjust.  | Adjustments | Adjust.10,  |                 | Adjust.     | Test Year   | Adjusted   |
|    |            |  | Adjı         | Based on | 5, 8, 9,    | 10-12       | Adjust.         | Prop. Taxes |             | Test Year  |
| +- | ) act      | Description  | Actual ti    | Payroll  | 15 & 16     | Mis. Gen Ex | Deprec.         | Plop. Taxes |             |            |
|    | No.        | Description  | Test Year DE | (a)      |             |             |                 |             |             |            |
| -  | NO.        |  |              | (a)      |             |             |                 |             | 6,151,964   | 29,508,733 |
|    | 555        | Purchased Power  | 700          |          | 6,151,964   |             |                 | -           | (5,413,678) | - 700 700  |
| -  |            | Base Rates   | 23,356,769   |          | (5,413,678  | )           |                 | -           | 738,286     | 29,508,733 |
| -  |            | EAC & ES Clauses   | 5,413,678    | -        | 738,286     | -           |                 |             |             | 00 474     |
| 1  |            | Total Purchased Power  | 28,770,447   |          |             |             |                 |             | 8,646       | 98,474     |
| 0  |            |  | 89,828       | 8,646    |             |             |                 |             | -           | 477,840    |
| 1  | 580        | Operations Supv & Eng  | 89,020       | -        |             |             |                 |             | 8,164       | 14,94      |
| 2  | 582        | Station Expense  | 469,676      | 8,164    |             |             |                 |             | -           | 14,94      |
| 3  | 583        | Overhead Line Exp.   | 14,947       | -        |             |             |                 |             | -           | 299,70     |
| 4  | 584        | Underground Line Exp   | 604          |          |             |             |                 |             | 21,969      | 60,63      |
| 5  | 585        | Street Lights  | 277,738      | 21,969   |             |             |                 |             | 5,270       | 356,40     |
|    | 586        | Meter Expense  | 55,368       | 5,270    |             |             | (92             | 1) 22,71    | 5 27,392    | 330,40     |
| 16 | 587        | Consumer Installations   | 329,009      | 5,598    | 3           |             |                 |             | 74 444      | 1,308,61   |
| 17 | 588        |  | -            | -        |             |             | (92             | 21) 22,71   | 15 71,441   | 1,000,0    |
| 18 | 589        | Rents  | 1,237,171    | 49,64    | 7 -         |             |                 |             | 1077        | 22,2       |
| 19 |            | Total Dist. Operations   | - 1,201      |          |             |             |                 |             | 1,675       |            |
| 20 |            | 0.5  | 20,563       | 1,67     | 5           |             |                 |             | 69,551      | 1,484,2    |
| 21 | 590        | Maint Supv & Eng   | -            |          |             |             |                 |             | 3,711       | 49,6       |
| 22 |            | - Lince  | 1,414,688    | 69,55    |             |             |                 |             | 3,711       | 100,6      |
| 23 |            | Maint. Overhead Lines  |              | 3,71     |             |             |                 |             |             |            |
| 24 |            | Tnotorme   | 100,650      |          | 4           |             |                 |             | 462         | 37,5       |
| 2  |            | 5 Maint Line Hansionne   | 51           |          | 0           |             |                 |             | 4,895       | 84,6       |
| 26 |            | 6 Maint of St Lg & Signal<br>7 Maintenance of Meters   |              |          |             |             | (1,6            | 647)        | 80,298      | 1,778,9    |
| 2  |            | Di-Luib Dian   | 13,100       |          |             | -           | - (1,6          | 647)        | - 00,200    |            |
| 2  |            | Total Dist. Maint.   | 1,698,668    | 81,9     | 40          |             |                 |             | 4,677       | 51,        |
| 2  |            | Total Dist. Mante  |              | 1        | 77          |             |                 |             | 5,832       | 326,       |
|    | 0          | 01 Supervision   | 47,117       |          |             |             |                 |             | 10 588      | 296,       |
|    |            |  | se 320,432   |          |             |             |                 | 423)        | - 10,500    | 77         |
|    |            |  | 200,02       |          | 111         |             |                 | 100)        | 21,097      | 751        |
|    | -          | II Lible Accounts  | 5 11,411     |          | 20          | -           | -               | 423)        | 21,001      |            |
|    | 34 9<br>35 | Total Consum Accts   | 730,48       | 9 21,5   | 020         |             |                 |             |             |            |

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Schedule 1
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Wintess: Jim Adkins

#### TEST YEAR REVENUE REQUIREMENTS

|                     |       | and the same of th |              |                |                    |   |                |                                       |              |   |
|---------------------|-------|--|--------------|----------------|--------------------|---|----------------|---------------------------------------|--------------|---|
|                     |       |  |              |                |                    | TEST YEAR E                                       | XPENSES        |                                       |              |   |
| 1                   |       | Andrew Commencer and the comme |              |                |                    | Adjust 10   |                |                                       | Sum of       | a AAAA, myo do - aaaaa yamaanaa ah ah way ahaa ay |
| 2                   |       |  | Adjı         | Adjust.        | Adjustments        | Adjust.10,<br>10-12                               | Adjust.        | Adjust.                               | Test Year    | Adjusted  |
| 3                   | Acct  | Description  | Actual tu    | Based on       | 5, 8, 9,           | Mis. Gen Exr                                      | Deprec.        | Prop Taxes                            | Adjustments  | Test Year   |
| 4                   | No.   |  | Test Year DE | <u>Payroll</u> | <u>15 &amp; 16</u> | VIIS. GET EAL                                     | <u>Depico.</u> | · · · · · · · · · · · · · · · · · · · |              |   |
| 36                  | 7.13  |  |              |                |                    |   |                |                                       | 2,846        | 31,492  |
| 37                  | 907   | Customer Information   | 28,645       | 2,846          |                    |   | (350)          | -                                     | 6,200        | 91,784  |
| 38                  | 908   | Customer Accounting  | 85,584       | 6,550          |                    |   | (330)          |                                       | 699          | 21,838  |
| 39                  | 909   | Consumer Information   | 21,139       | 699            |                    |   |                |                                       | 1.083        | 22,168  |
| 33                  | 910   | Mis. Customer Informatio   | 21,085       | 1,083          |                    |   |                |                                       | 248          | 3,603   |
| 40                  | 912   | Demonstration & Advertis   | 3,355        | 248            |                    |   | (350)          | _                                     | 11,076       | 170,884   |
| 41                  | 012   | Total Customer Serv.   | 159,808      | 11,426         | -                  |   | (330)          |                                       |              |   |
| 42                  |       | 1000.000   |              |                |                    |   |                |                                       | 19,048       | 236,401   |
| 43                  | 920   | Administrative Salaries  | 217,353      | 19,048         |                    |   |                |                                       | 1,763        | 21,545  |
| 43<br>44            | 920   | Office Supplies  | 19,782       | 1,763          |                    | <u> </u>  |                | <del> </del>                          | (60,989)     | 154,331   |
| <del>44</del><br>45 | 923   | Outside Services   | 215,320      |                | (60,989            | )   |                |                                       | (00,303)     | - 10 1,   |
|                     |       | Property Ins   | _            | -              |                    |   |                |                                       |              | (2,214  |
| 46                  | 924   | Injuries & Damages   | (2,214)      |                |                    |   |                |                                       | <del> </del> | \\ <u>-\</u>                                      |
| 47                  | 925   | Employ Pensions & Bene   | -            |                |                    |   |                |                                       |              |   |
| 48                  | 926   |  | -            |                |                    |   |                |                                       |              |   |
| 49                  | 928   | Regulatory Exp   |              |                |                    |   |                |                                       | (E0 020)     | 321,617   |
| 50                  | 929   | Duplicate Charges  | 380,456      | 3,664          |                    | (63,646)  | (601           | 1,744                                 | (58,839)     | 5.700   |
| 51                  | 930   | Misc General Exp   | 5,700        |                |                    |   |                |                                       | 420          | 93,535  |
| 52                  | 931   | Rents  | 93,405       | 130            |                    |   |                |                                       | 130          | 830,91  |
| 53                  | 935   | Maintenance of Gen. Plan   | 929,801      | 24.606         |                    | (63,646)  | (601           | ) 1,744                               | (98,886)     | 030,913   |
| 54                  |       | Total Admin & General  | 929,001      |                |                    |   |                |                                       |              | 4.000.00  |
| 55                  |       |  | 1,766,504    |                |                    |   | 42,160         |                                       | 42,160       | 1,808,66  |
| 56                  | 403.6 | Deprec. Distribution Plant   | 63,209       |                |                    |   | 631            |                                       | 631          | 63,84   |
| 57                  |       | Deprec. General Plant  |              |                |                    | -   | 42,791         | -                                     | 42,791       | 1,872,50  |
| 58                  |       | Total Depreciation   | 1,829,713    |                |                    |   |                |                                       |              |   |
| 59                  |       |  | 05.004       |                |                    |   |                |                                       | -            | 35,22   |
| 60                  | 408.1 | Property Taxes   | 35,224       |                |                    |   |                |                                       | -            |   |
| 61                  | 408.6 | PSC Assessment   |              |                | (3,56)             | 2)  |                |                                       | (3,562)      |   |
| 62                  | 16&4  | 2 Miscell. Income Deductio   | 3,562        |                | (3,56)             |   |                | -                                     | (3,562)      | 35,22   |
| 63                  |       | Total Miscellaneous  | 38,786       | -              | (3,36,             |   |                |                                       |              |   |
| 64                  | 1     |  |              |                |                    |   |                |                                       | -            | 692,43  |
| 65                  | 427   | 1 Interest - RUS Constuc   | 692,438      |                | <del></del>        | 4   |                | -                                     | 35,241       | 778,49  |
| 66                  | 427   | 1 Interest - FFB Notes   | 743,258      |                | 35,24              | 1   |                |                                       |              | 217,11  |
| 67                  | 7 427 | 2 Interest - Other LTD   | 217,114      |                |                    |   |                |                                       | 35,241       | 1,688,05  |
| 68                  |       | Total Interest on LTD  | 1,652,811    |                | 35,24              | <u> 1           -                            </u> |                |                                       | 00,211       |   |

Exhibit R
Schedule 1
Page \_\_\_\_\_ of \_\_\_\_\_
Wintess: Jim Adkins

## TEST YEAR REVENUE REQUIREMENTS

| _         |       | the state of the s |                       |          |                     | TEST YEAR    | XPENSES   |             |               |            |
|-----------|-------|--|-----------------------|----------|---------------------|--------------|-----------|-------------|---------------|------------|
|           |       | The state of the s |                       |          |                     | TEOT .       |           |             | Sum of        |            |
|           |       |  |                       |          | - to-sente          | Adjust.10,   |           |             | Test Year     | Adjusted   |
| -         |       |  | Adju                  | Adjust.  | Adjustments         | 10-12        | Adjust.   | Adjust.     | Adjustments   | Test Year  |
| +-        |       |  | Actual tu             | Based on | 5, 8, 9,<br>15 & 16 | Mis. Gen Ext | Deprec.   | Prop. Taxes | Adjust        | (0)        |
| +         | Acct  | Description  | Test Year DS          | Payroll  | 15 & 10             | VIIO.        |           |             | (32,654)      | (0)        |
|           | No.   |  |                       |          | (32,654)            | \            |           |             | -             | 22,170     |
| 9         |       | 0-2  | 32,654                |          | (32,034             | 7            |           |             | -             | 70,400     |
|           | 430   | Interest to Assoc. Org.  |                       | -        |                     |              |           | -           | (32,654)      | 22,169     |
| 1         | 131   | Interest on Customer Dep   | -                     |          | (32,654             | 1 -          |           |             |               |            |
| 2         | 431.2 | Other Interest   | 54,823                |          | (32,034             | 7            |           | 24,459      | 865,128       | 37,967,646 |
| 3         |       | Total ST Interest  | ,                     |          | 4 676,322           | (63,646      | 38,849    | 24,459      | 35,241        | 1,688,052  |
| 4         |       |  | 37,102,518            | 189,14   |                     |              | -         | 51.450      |               | 39,655,698 |
| 75        |       | Total Costs  | 1,652,811             | _        | 35,24               |              | 38,849    | 24,459      | 300,00        |            |
| 76        |       | Margin Requirements  |                       | 189,14   | 4 711,56            | 3 (0010.     | 1         |             |               |            |
| 77        |       | Total Revenue Require  | 30,730,020            |          |                     |              |           |             |               | 470,227    |
| 78        | -     |  |                       |          |                     |              |           |             | (15,338)      | (15,338)   |
| <u>79</u> |       | Less; Misc Income  | 470,227               |          |                     |              |           |             | (15,550)      | 212,470    |
|           | 450   | Earfeited Discounts  | 470,221               |          | (15,33              | 38)          |           |             | 34,659        | 51,698     |
| 80        |       | Micc Service Revenue   | 212,470               |          |                     |              |           |             | 19,321        | 719,057    |
| 81        |       | A Pont from Electric Prop  | 17,039                |          | 34,6                |              | -         | -           | 19,521        |            |
| 82        |       | 1 Other Electric Income  | 699,736               | -        | 19,3                | 21           |           |             |               |            |
| 83        |       | Total Misc Income  | 099,700               | +        |                     |              |           |             |               | 50,722     |
| 84        |       |  |                       | -        |                     |              | -         |             |               | 47,98      |
| 8         |       | Less: Other Income   | 50,722                | +        |                     |              |           |             |               | (116,10    |
| 8         | 7 -41 | 8 Equity Earnings of Sub   | osic 50,722<br>47,983 | -        |                     |              |           |             | (350,180)     |            |
| 8         |       | - Interest Income  |                       |          |                     |              |           |             | (250 180)     | 74,28      |
|           | -     | Misc Non-operating II  | 116, 103<br>441,865   |          | (350,               | 180)         |           |             | (350, 100)    |            |
|           |       | Other Capital Cledits  | 424,466               |          | - (350,             | 180)         |           |             |               |            |
|           | 0 4   | Total Other Income   | 424,400               | -        |                     |              |           |             | 1,231,228     | 38,862,3   |
|           |       |  |                       |          |                     | 422 (63,6    | 38.       | 849 24,4    | 159 1,231,220 | ++         |
| 1         | 92    | Revenue Requireme  | ents                  | 7 189    | 1,042               | ,422 (63,6   | 340/1 33/ |             |               | +-         |
|           |       | from Rates   | 37,631,12             |          |                     |              |           |             |               |            |
| 1         | 94    | HOIT   |                       |          |                     |              |           |             |               |            |
| 1         |       |  |                       |          |                     |              |           |             |               |            |
| l         |       |  |                       |          |                     |              |           |             |               |            |
| ١         |       |  |                       |          |                     |              |           |             | 20,000,000    |            |

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Witness: Jim Adkins

|       |  | CAS        | E NO. 200      | 3-00-10   |          |         |             | Page         |
|-------|--|------------|----------------|-----------|----------|---------|-------------|--------------|
|       | PA   | YROLL INFO | RMATION        | FOR TEST  | PERIOD   |         |             | Witness: Jir |
|       |  |            |                | Adj. 1    | Adj. 2   | Adj. 6  | Adj. 7      |              |
| a.    | Adjustments Allocated on Payroll   |            |                | Wages &   | Payroll  |         | Retire-     |              |
|       |  | Amount     | Percent        | Salaries  | Taxes    | FAS 106 | <u>ment</u> | <u>Total</u> |
| Acct. | <u>Description</u>   |            | 17.42%         | 2,631     | 232      | 350     | 5,434       | 8,646        |
| 580   | Operations Supervision   | 56,141     | 0.00%          | 2,001     |          |         | -           | -            |
| 582   | Sations  | 50.044     | 16.44%         | 2,484     | 219      | 330     | 5,131       | 8,164        |
| 583   | Overhead Lines   | 53,011     | 0.00%          | 2,404     |          | -       | -           | _            |
| 584   | Underground Lines  | 440.040    | 44.25%         | 6,684     | 590      | 888     | 13,806      | 21,969       |
| 586   | Meters   | 142,649    | 10.61%         | 1,603     | 142      | 213     | 3,312       | 5,270        |
| 587   | Installations  | 34,219     | 11.28%         | 1,703     | 150      | 226     | 3,518       | 5,598        |
| 588   | Miscellaneous Distribution   | 36,348     | 100%           | 15,106    | 1,334    | 2,007   | 31,200      | 49,647       |
|       |  | 322,368    |                | 510       | 45       | 68      | 1,053       | 1,675        |
| 590   | Maintenance Supervision  | 10,876     | 2.04%          | 21,162    | 1,869    | 2,812   | 43,708      | 69,55        |
| 593   | Overhead Lines   | 451,611    | 84.88%         | 1,129     | 100      | 150     | 2,332       | 3,71         |
| 594   | Underground Lines  | 24,097     | 4.53%          | 1,129     | 0        | 0       | 3           |              |
| 595   | Transformers   | 28         | 0.01%<br>0.56% | 140       | 12       | 19      | 290         | 46:          |
| 597   | Street Lights  | 2,997      | 7.98%          | 1,991     | 176      | 264     | 4,111       | 6,54         |
| 598   | Miscellaneous Maintenace   | 42,479     | 100%           | 24,933    | 2,202    | 3,313   | 51,497      | 81,94        |
|       |  | 532,088    |                | 1,423     | 126      | 189     | 2,939       | 4,67         |
| 901   | Supervision  | 30,366     | 21.73%         | 1,774     |          | 236     | 3,665       | 5,83         |
| 902   | Meter Reading  | 37,867     | 27.10%         | 2,729     | 241      | 363     | 5,636       | 8,96         |
| 903   | Consumer Records   | 58,232     | 41.67%         | 622       | 55       | 83      | 1,284       | 2,04         |
| 904   | Consumer Records   | 13,267     | 9.49%          | 6,548     | 578      |         | 13,524      | 21,52        |
|       |  | 139,732    | 100%           |           |          |         |             | 2,84         |
| 907   | Supervision, Customer Service  | 18,483     |                | 866       | i        |         |             | 6,55         |
| 908   | Consumer Accounting  | 42,529     |                | 1,993     |          |         |             | 69           |
| 909   | Consumer Information   | 4,540      |                | 213       |          |         |             | 1,08         |
| 910   | Mis. Customer Information  | 7,033      |                | 330<br>75 |          |         |             | 24           |
| 912   | Customer Demonstrations  | 1,608      | 2.17%          | /5        |          |         | _           | _            |
| 913   |  | -          | -              | 0.470     | 307      | 462     | 7,181       | 11,42        |
|       |  | 74,193     |                |           |          |         |             | 19,04        |
| 920   | Administrative   | 123,684    |                |           |          |         |             | 1,76         |
| 926   |  | 11,448     |                |           |          |         |             | 3,66         |
| 930   |  | 23,794     |                |           |          |         |             | 1:           |
| 935   |  | 847        |                |           | <u> </u> | 1       |             | 24,6         |
|       | Trong to the transfer of the t | 159,773    | 100%           |           |          |         |             | 378,2        |
|       |  |            |                | 57,550    | 5,082    | 2 7,647 | 110,000     | 070,20       |

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|      |       |  |            |            |           | FU      | NCTIONAL | IZATION  |  |          |            |        |
|------|-------|--|------------|------------|-----------|---------|----------|--|--|----------|------------|--------|
| _    |       |  | Expenses   |            |           |         |          |  | Consumer   |          |            | Alloc. |
| L    |       | AND A SHARLING THE RESIDENCE OF THE PARTY OF |            |            |           | Trans-  |          |  | Services &                                       | Security | Total      | Basis  |
| : ]_ |       |  | Adjusted   | Puchased   |           |         | Services | Meters   | Accounting                                       | Lighting | IOLAI      | Duoio  |
| 3    | Acct  | Description  | Test Year  | Power      | Lines     | formers | Dervices |  |  |          |            |        |
| 1    | No.   | The second secon | 1000 1000  |            |           |         |          |  |  |          | -0.500.700 |        |
| 5    |       |  |            |            |           |         |          |  |  |          | 29,508,733 |        |
| 6    | 555   | Purchased Power  | 29,508,733 | 29,508,733 |           |         |          |  | 17   |          |            | DA     |
| 7    |       | Base Rates   | 29,500,700 | -          |           |         |          |  |  |          | 29,508,733 | DA     |
| 8    |       | FAC & ES Clauses   | 29,508,733 | 29,508,733 |           |         |          |  |  |          | -          |        |
| 9    |       | Total Purchased Power  | 29,300,730 | 20,000     |           |         | 10.000   | 34,640   |  | 6,994    | 98,474     | 1 & 2  |
| 10   |       |  | 00 474     |            | 45,953    | -       | 10,888   | 34,040   |  |          | -          |        |
| 11   | 580   | Operations Supv & Eng  | 98,474     |            | -         |         |          |  |  | -        | 477,840    | DA     |
| 12   | 582   |  |            |            | 386,310   |         | 91,531   |  |  |          | 14,947     |        |
| 13   | 583   | LI line Fren   | 477,840    |            | 12,084    |         | 2,863    | 604  |  |          | 604        | DA     |
| 14   | 584   | 111  | 14,947     |            |           |         |          | The second secon |  |          |            |        |
| 15   | 585   |  | 604        |            |           |         |          | 299,707  |  | 60.638   | 60,638     | DA     |
| 15   | 586   |  | 299,707    |            |           |         |          |  |  | 25,314   | 356,401    | 2      |
|      | 587   | t t-ll-tions   | 60,638     |            | 166,313   | -       | 39,406   | 125,368  |  | -        | -          |        |
| 16   | 588   |  | 356,401    |            | 100,010   | -       | -        | -  | <del>                                     </del> | 92,946   | 1,308,612  |        |
| 17   |       |  | -          |            | 610,659   | -       | 144,688  | 460,319  | -  | 02,0.0   | -          |        |
| 18   |       | Total Dist. Operations   | 1,308,612  |            | 010,000   |         |          |  |  |          | 22,238     | 3      |
| 19   |       | Total Dist. Operation  |            |            | 40.402    | 1,339   | 3,908    | 499  | _  |          |            | DA     |
| 20   |       | to the Court & Eng   | 22,238     |            | 16,493    | 1,000   |          |  |  |          | 1,484,239  | DA     |
| 21   | 590   |  | -          |            |           |         | 284,308  |  |  |          | 49,650     |        |
| 22   |       | Maint of Station Equip   | 1,484,239  |            | 1,199,932 |         | 9,510    |  |  |          | 100.654    |        |
| 23   |       | Maint. Overhead Lines  | 49,650     |            | 40,139    | 100.654 |          |  |  |          | 100,007    |        |
| 24   |       | Maint of Underground Lines   | 100,654    |            |           | 100,034 |          |  |  |          | 37,531     | DA     |
| 25   |       | Maint Line Transformers  |            |            |           |         |          | 37,531   |  |          | 84,653     |        |
| 26   | 596   | Maint of St Lg & Signal Sys  | 37,531     |            |           | 5,096   | 14,875   | 1,900  |  |          | 1,778,966  |        |
| 27   |       | 7 Maintenance of Meters  | 84,653     |            | 62,782    |         |          |  | -  |          | 1,770,900  |        |
| 28   | s 598 | 8 Maint Misc Distrib Plant   | 1,778,966  |            | 1,319,346 | 107,068 | 312,001  |  |  |          |            |        |
| 29   | 9     | Total Dist. Maint.   | 1,7.0,000  |            |           |         |          |  | 51,79  | 4        | 51,79      |        |
| 3    | 0     |  | 51,794     | -          |           |         |          |  | 326,26   | 4        | 326,26     |        |
| 3    |       | 1 Supervision  | 326,264    |            |           |         |          |  | 296,11   |          | 296,11     |        |
| 1    | 2 90  | 2 Meter Reading Expense  | 296,112    |            |           |         |          |  | 77,41  |          | 77,41      |        |
|      | 3 90  | 3 Cons Recds & Collections   | 77,416     |            |           |         |          |  | 751,58   |          | 751,58     | 6 DA   |
|      | 90    | 4 Uncollectible Accounts   |            |            |           |         |          |  |  |          | -          |        |
|      | 35    | Total Consum Accts   | 751,586    | 4          |           |         |          |  | 31,49  | 12       | 31,49      |        |
|      | 36    |  |            |            |           |         |          |  | 91,78  |          | 91,78      |        |
|      |       | O7 Customer Information  | 31,492     |            |           |         |          |  | 21,8   |          | 21,83      |        |
| 1    |       | 08 Customer Accounting   | 91,78      |            |           |         |          |  | 22,1   |          | 22,16      |        |
| 1    |       | 09 Consumer Information  | 21,83      |            |           |         |          |  | 3,6  |          | 3,60       | )3     |
| 1    |       | 10 Mis Customer Information  | 22,16      |            |           |         |          |  |  |          | 170,8      | 34 D/  |
| -    |       | 11 Demonstration & Advertising   | 3,60       |            |           |         |          |  | 170,8  | 04       | 1,510      |        |
| _    | 40 9  | Total Customer Serv.   | 170,88     | 4          |           |         |          |  |  |          |            |        |

Exhibit R
Schedule 2
Page \_\_\_\_\_ of \_\_\_\_\_ O
Witness: Jim Adkins

| _  |          |                              | Expenses   |              |           | Fl       | JNCTIONAL | IZATION |            |                 |            |              |
|----|----------|------------------------------|------------|--------------|-----------|----------|-----------|---------|------------|-----------------|------------|--------------|
| ١  |          |                              | Expenses   |              |           |          |           |         | Consumer   |                 |            | Alloc.       |
| T  |          |                              |            | Puchased     |           | Trans-   |           |         | Services & | Security        |            |              |
| 1  | Acct     | Description                  | Adjusted   |              | Lines     | formers  | Services  | Meters  | Accounting | <u>Lighting</u> | Total      | Basis        |
| 1  | No.      |                              | Test Year  | <u>Power</u> | Lines     | ionnore. |           |         |            |                 |            |              |
| 2  |          |                              |            |              | 133,440   | 7        |           | 44,263  | 47,335     | 11,355          | 236,401    |              |
| 3  | 920      | Administrative Salaries      | 236,401    |              | 12,162    |          | -         | 4,034   | 4,314      | 1,035           | 21,545     |              |
| 4  |          | Office Supplies              | 21,545     |              |           | 4        |           | 28,897  | 30,902     | 7,413           | 154,331    |              |
| 5  |          | Outside Services             | 154,331    |              | 87,114    |          |           |         |            |                 |            |              |
| 6  |          | Property Ins                 | -          |              | (4.050)   | (0)      |           | (415)   | (443)      | (106)           | (2,214)    |              |
| 7  | 925      | Injuries & Damages           | (2,214)    |              | (1,250)   | - (0)    |           |         |            | -               | -          |              |
| 8  | 926      | Employ Pensions & Benef      | - 1        |              |           |          |           |         |            |                 | -          |              |
| 9  |          | Regulatory Exp               | -          |              |           |          |           |         |            | -               | -          |              |
| 0  | 929      | Duplicate Charges            | - 1        |              |           |          |           | 60,219  | 64,398     | 15,448          | 321,617    |              |
| 1  | 930      | Misc General Exp             | 321,617    |              | 181,542   | 9        |           | 1,067   | 1,141      | 274             | 5,700      |              |
|    | 930      | Rents                        | 5,700      |              | 3,217     | 0        | -         | 17,513  | 18,729     | 4,493           | 93,535     |              |
| 2  | 931      | Maintenance of Gen. Plant    | 93,535     |              | 52,797    | 3        | -         | 155,579 | 166,377    | 39.911          | 830,915    | 4 Gen P      |
| 3  | 935      | Total Admin & General        | 830,915    | -            | 469,024   | 24       | -         | 155,579 | 110,001    | 00,011          |            |              |
| 4  |          | Total Admin & General        |            |              |           |          |           | 40.754  |            | 51.035          | 1,808,664  | DA           |
| 5  |          | Deprec. Distribution Plant   | 1,808,664  |              | 1,175,068 | 261,548  | 277,261   | 43,751  | 40 702     | 3,066           | 63,840     |              |
| 6  | 403      | Deprec. Distribution Flatt   | 63,840     |              | 36,036    | 2        | -         | 11,953  | 12,783     | 54,102          | 1,872,504  |              |
| 7  | 403      | Deprec. General Plant        | 1,872,504  |              | 1,211,104 | 261,550  | 277,261   | 55,704  | 12,783     | 34,102          | 1,012,001  |              |
| 8  |          | Total Depreciation           | 1,072,004  |              |           |          |           |         |            |                 |            |              |
| 59 |          |                              | 35,224     |              |           |          |           |         |            | <u> </u>        |            |              |
| 30 | 408      |                              | 33,224     |              |           |          |           |         |            | <u> </u>        |            |              |
|    |          | PSC Assessment               | - 0        |              |           |          |           |         |            | 1 440           | 35,224     | Tot Dit      |
| 61 | 16&42    | 2 Miscell. Income Deductions |            |              | 22,644    | 4,838    | 5,128     | 1,141   | 354        | 1,119           | 35,224     | 101111       |
| 62 |          | Total Miscellaneous          | 35,224     |              |           |          |           |         |            |                 |            |              |
| 63 |          |                              | 200 400    |              |           |          |           |         |            |                 |            |              |
| 64 | 427.1    | 1 Interest - RUS Constuc     | 692,438    |              |           |          |           |         |            |                 |            | <del> </del> |
| 65 | 427.3    | 3 Interest - FFB Notes       | 778,499    |              |           |          |           |         |            |                 |            | - DI D-      |
| 66 | 427.2    | 2 Interest - Other LTD       | 217,114    |              | 1,088,084 | 236,972  | 251,207   | 48,879  | 9,880      | 53,029          | 1,688,052  | p Rt Bas     |
| 67 |          | Total Interest on LTD        | 1,688,052  |              | 1,000,000 | 200,012  |           |         |            |                 |            | ļ            |
| 68 |          |                              |            |              |           |          |           |         |            |                 |            | <u> </u>     |
| 69 | 431      | Other Interest Expense       | -          |              |           |          |           |         |            |                 |            | ļ            |
| 70 |          | 1 Interest on Customer Dep.  | 22,170     |              |           |          |           |         |            |                 |            |              |
| 71 | 431      | 2 Other Interest             | -          |              | 44.000    | 3,112    | 3,299     | 642     | 130        | 696             | 22,170     | Rate Ba      |
| 72 |          | Total ST Interest            | 22,170     |              | 14,290    | 3,112    | 0,200     |         |            |                 |            |              |
| 73 |          |                              |            |              |           | 040 500  | 994,185   | 762,194 | 1,111,994  | 241,804         | 37,967,646 |              |
| 74 |          | Total Costs                  | 37,967,646 | 29,508,733   | 4,735,150 | 613,586  |           | 48,879  |            |                 | 1,688,052  |              |
| 75 |          | Margin Requirements          | 1,688,052  | -            | 1,088,084 | 236,972  |           |         |            |                 | 39,655,698 |              |
| 76 |          | Total Revenue Require.       | 39,655,698 | 29,508,733   | 5,823,234 | 850,558  | 1,245,392 | 011,070 | 1,161,101  |                 |            |              |
| 16 | <u> </u> | Total Nevento Modalio        |            |              |           |          |           |         |            |                 |            | +            |
|    |          |                              |            |              |           |          |           |         |            |                 |            | 1            |
|    |          |                              |            |              |           |          |           |         |            | _               |            |              |
|    |          |                              |            |              |           |          |           |         |            | _               |            | <del> </del> |
|    |          |                              |            | <b> </b>     |           |          |           |         |            |                 |            | -            |
|    |          |                              |            | -            |           |          |           |         |            |                 |            |              |
|    | 1        |                              |            | <b> </b>     |           |          |           |         |            |                 |            |              |

Exhibit R
Schedule 2
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|    |  |                          | FOO              | TNOTES                                |            |         |         |  |                 |             |
|----|--|--------------------------|------------------|---------------------------------------|------------|---------|---------|--|-----------------|-------------|
|    |  |                          |                  |                                       |            |         |         |  |                 |             |
| T  |  |                          |                  |                                       |            |         |         |  |                 |             |
| -† |  |                          |                  |                                       |            |         |         |  |                 |             |
| +  | The second secon |                          |                  |                                       |            |         |         |  |                 |             |
|    | AND AND THE PARTY OF THE PARTY  |                          |                  |                                       | \$\$\$     | %       |         |  |                 |             |
| -  | Line Expenses are Allocated between Lines  | and Services Based or    | Plant Investine  | · · · · · · · · · · · · · · · · · · · | 39,006,359 | 80.84%  |         |  |                 |             |
|    | Poles and Conductor  |                          |                  |                                       | 9.242.035  | 19.16%  |         |  |                 |             |
| -  |  |                          |                  |                                       | 48.248.394 | 100.00% |         |  |                 |             |
|    | Total  |                          |                  |                                       | 40,240,004 |         |         |  |                 |             |
|    | The state of the s |                          |                  |                                       |            |         |         |  | Miscell.        |             |
|    | 2 Mic  | collaneous Expenses      |                  |                                       | Actual     | %       |         | Superv   | Exp.            | Rents       |
|    | Allocation of Dist. Oper. Supervision & Mis  | Jenaneodo Experiess      |                  |                                       |            | 10.000  |         | 45,953   | 166,313         | -           |
|    |  |                          |                  |                                       | 398,393    | 46.66%  |         | - 40,000   | -               | _           |
|    | Lines  |                          |                  |                                       | -          | 0.00%   |         | 10,888   | 39,406          |             |
|    | Transformers   |                          |                  |                                       | 94,394     | 11.06%  |         |  | 125,368         |             |
|    | Services   |                          |                  |                                       | 300,312    | 35.18%  |         | 34,640   | 120,000         |             |
|    | Meters   |                          |                  |                                       | -          | 0.00%   |         |  | 25,314          |             |
|    | Cons. Services & Accounting  |                          |                  |                                       | 60,638     | 7.10%   |         | 6,994  | 25,314          |             |
|    | Security Lighting  |                          |                  |                                       |            | 0.00%   |         |  | 050.404         |             |
|    | Street Lighting  |                          |                  |                                       | 853.737    | 92.9%   | L       | 98,474   | 356,401         |             |
|    | Street Lighting  |                          |                  |                                       | 030,701    |         |         |  |                 |             |
|    | The second state of the se |                          |                  |                                       |            | %       |         | Superv   | Misc. Exp.      |             |
|    | Allocation of Dist. Maint. Supervision & Mi  | scellaneous Expenses     |                  |                                       | Actual     | 74.16%  |         | 16,493   | 62,782          |             |
| 3  |  |                          |                  |                                       | 1,240,071  | 6.02%   |         | 1,339  | 5,096           |             |
|    | Lines  |                          |                  |                                       | 100,654    | 17.57%  |         | 3,908  | 14,875          |             |
|    | Transformers   |                          |                  |                                       | 293,818    |         |         | 499  | 1,900           |             |
|    | Services   |                          |                  |                                       | 37,531     | 2.24%   |         |  | -               |             |
|    | Meters   |                          |                  |                                       | _          | 0.00%   |         |  |                 |             |
|    | Cons. Services & Accounting  |                          |                  |                                       | -          | 0.00%   |         |  |                 |             |
|    | Security Lighting  |                          |                  |                                       | -          | 0.00%   |         | 22.238   | 84,653          |             |
|    | Street Lighting  |                          |                  |                                       | 1,672,074  | 100%    |         | 22,230   | 04,000          |             |
|    |  |                          |                  | t Percent                             |            |         |         |  |                 |             |
| 4  | General Plant Allocation Comes From the  | Rate Base Schedule L     | ine General Plan | IL EICEIL                             |            |         |         |  |                 |             |
| 4  | General Flance Modern  |                          |                  |                                       |            |         |         |  |                 |             |
| _  | Rate Base Allocation Comes from the Ra   | te Base Schedule Line I  | Rate Base Perce  | ent.                                  |            |         |         |  |                 | <u></u>     |
| 5  |  |                          |                  |                                       |            |         |         |  |                 |             |
|    | Overhead O&M Expense Allocation to Li  | nes. Services & Lighting |                  |                                       | 0 1400     |         |         |  | Outdoor         |             |
| 6  | Overnead Oxivi Expense Anocation to En   |                          |                  |                                       | Outdoor    |         | Lines   | Services   | <u>Lighting</u> |             |
|    |  | Total                    | <u>Lines</u>     | <u>Services</u>                       | Lighting   |         |         |  |                 |             |
|    | Rate Base Data   |                          |                  |                                       |            |         | 99.0%   | The state of the s | 1.0%            |             |
|    |  | 17,024,566               | 16,861,984       |                                       | 162,582    |         | 100.0%  |  |                 |             |
|    | Poles, Towers and Fixtures   | 307,519                  | 307,519          |                                       |            |         | 100.078 | 100.0%   | 0.0%            |             |
|    | Overhead Conductor   | 9,242,035                |                  | 9,242,035                             |            |         | 04.004  | 34.8%  |                 |             |
|    | Services   | 26.574,120               | 17,169,503       | 9,242,035                             | 162,582    |         | 64.6%   | 34.070   | 0.070           | <del></del> |
|    | - 100  | 20,574,120               | 77,100,000       |                                       |            |         |         |  |                 |             |

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|         |  |           |         | FO      | OTNOTES      |               |  |           |          |              |
|---------|--|-----------|---------|---------|--------------|---------------|--|-----------|----------|--------------|
|         |  |           |         |         |              |               |  |           |          |              |
|         |  |           |         |         |              |               |  |           |          |              |
|         |  |           |         |         |              |               |  |           |          |              |
|         |  |           |         |         |              |               |  |           |          |              |
|         |  |           |         |         |              |               | Consumer   |           |          |              |
|         | The state of the s |           |         |         |              |               | Services &                                       | Security  | Street   |              |
|         |  |           |         | Trans-  |              | 34-1          | Accounting                                       | Lighting  | Lighting | <u>Total</u> |
|         | Description  | Amount    | Lines   | formers | Services     | <u>Meters</u> | Accounting                                       | Ligitaria |          |              |
| cct.    | Description  |           |         |         |              |               |  |           |          | -            |
|         | 0.1  |           | -       |         |              |               |  |           |          | 53,011       |
| 582     | Stations   | 53,011    | 53,011  |         |              |               |  |           |          | -            |
| 583     | Overhead Lines   | -         | -       |         |              |               |  |           |          | 142,649      |
|         | Underground Lines  | 142,649   |         |         |              | 142,649       |  | 34,219    |          | 34,219       |
|         | Meters   | 34,219    |         |         |              |               |  | 34,219    |          | 229.879      |
| 587     | Installations  | 229,879   | 53,011  | -       | -            | 142,649       | -  | 14.89%    |          | 1            |
|         |  | 223,013   | 23.06%  |         |              | 62.05%        |  |           |          | 36,348       |
|         |  | 36,348    | 8,382   |         |              | 22,555        |  | 5,411     |          | 56,141       |
| 588     | Miscellaneous Distribution   | 56,141    | 12,946  |         |              | 34,838        |  | 8,357     |          | 92,489       |
| 580     | Operations Supervision   |           | 21,328  | -       | -            | 57,393        | -  | 13,768    |          | 322,368      |
|         |  | 92,489    | 74,339  |         |              | 200,042       | -  | 47,987    |          | 322,300      |
|         |  | 322,368   | 14,338  |         |              |               |  |           |          | 451,611      |
|         |  |           | 4E4 C44 |         |              |               |  |           |          | 24,097       |
| 593     | Overhead Lines   | 451,611   | 451,611 |         |              |               |  |           |          |              |
| 594     | Underground Lines  | 24,097    | 24,097  | 28      |              |               |  |           |          | 28           |
|         | Transformers   | 28        |         | 20      |              |               |  | 2,997     | -        | 2,997        |
|         | Street Lights  | 2,997     |         |         | -            | -             | -  | 2,997     | -        | 478,733      |
| 001     |  | 478,733   | 475,708 | 28      | 0.00%        | 0.00%         | 0.00%  | 0.63%     | 0.00%    | 100.00%      |
|         |  |           | 99.37%  | 0.01%   |              | 0.0076        | - 0.0070   | 68        | -        | 10,876       |
| EOC     | Maintenance Supervision  | 10,876    | 10,807  | 1       |              |               |  | 266       | -        | 42,479       |
| 290     | Miscellaneous Maintenace   | 42,479    | 42,211  | 2       | -            |               |  | 334       | -        | 53,355       |
| วษช     | Wilscellaneous Wanteridos  | 53,355    | 53,018  | 3       | -            |               | <del>                                     </del> | 3,331     | -        | 532,088      |
|         |  | 532,088   | 528,726 | 31      | -            |               | <u> </u>   | 0,001     |          |              |
|         | AND THE RESIDENCE OF THE PARTY  |           |         |         |              |               |  |           |          |              |
|         | A  |           |         |         |              |               | 30,366   |           |          | 30,366       |
|         | 2  | 30,366    |         |         |              |               | 37,867   |           |          | 37,867       |
|         | Supervision  | 37,867    |         |         |              |               |  |           |          | 71,499       |
|         | Meter Reading  | 71,499    |         |         |              |               | 71,499   |           |          | 139,732      |
| 903     | Consumer Records   | 139,732   | -       | -       |              | -             | 139,732  |           | -        |              |
|         | The second secon | 100,102   |         |         |              |               | 40 400   |           |          | 18,483       |
| <b></b> |  | 18,483    |         |         |              |               | 18,483   |           |          | 42,529       |
| 907     | Supervision, Customer Service  | 42,529    |         |         |              |               | 42,529   |           |          | 4,540        |
|         | Consumer Accounting  |           |         |         |              |               | 4,540  |           |          | 7,033        |
| 909     | Consumer Information   | 4,540     |         |         |              |               | 7,033  |           |          |              |
| 910     | Mis. Customer Information  | 7,033     |         |         |              |               | 1,608  |           |          | 1,608        |
| 912     | Customer Demonstrations  | 1,608     |         |         |              |               | -  |           |          | -            |
| t       | 3 Advertising  | -         |         |         | <del> </del> | <del> </del>  | 74,193   | -         | -        | 74,193       |
| 313     | 7.440140419  | 74,193    | -       | - 04    | -            | 200,042       |  | 51,318    |          | 1,068,381    |
|         |  | 1,068,381 | 603,065 | 31      |              |               |  |           |          | 100.00%      |
|         |  |           | 56.45%  | 0.00%   | 0.00%        | 10.727        | 70 ZU.UZ /                                       |           | _L       |              |

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### **FUNCTIONALIZATION SUMMARY**

|                            | Adjusted        | Purchased    |  |              |  |
|----------------------------|-----------------|--------------|--|--------------|--|
| Expense                    | <u>Expenses</u> | <u>Power</u> | <u>Lines</u>   | Transformers | Services   |
| Purchased Power            | 29,508,733      | 29,508,733   |  |              | the - yes datas to the recognision of the control o |
| Distibution Operations     | 1,308,612       |              | 610,659  | -            | 144,68   |
| Distribution Maintenance   | 1,778,966       |              | 1,319,346  | 107,089      | 312,60   |
| Consumer Accounts          | 751,586         |              | Control of the Contro |              | - Marie F  |
| Customer Service           | 170,884         |              |  |              |  |
| Administative & General    | 830,915         |              | 469,024  | 24           | -  |
| Depreciation               | 1,872,504       |              | 1,211,104  | 261,550      | 277,26   |
| Miscellaneous              | 35,224          |              | 22,644   | 4,838        | 5,12   |
| Interest on Long Term Debt | 1,688,052       |              | 1,088,084  | 236,972      | 251,20   |
| Short Term Interest        | 22,170          |              | 14,290   | 3,112        | 3,29   |
| Total Costs                | 37,967,646      | 29,508,733   | 4,735,150  | 613,586      | 994,18   |
| Margin Requirements        | 1,688,052       | _            | 1,088,084  | 236,972      | 251,20   |
| Revenue Requirements       | 39,655,698      | 29,508,733   | 5,823,234  | 850,558      | 1,245,39   |

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### **FUNCTIONALIZATION SUMMARY**

|                            |               |                   | The state of the s |   | Annual distance of the state of |
|----------------------------|---------------|-------------------|--|---|--|
|                            |               |                   |  |   |  |
|                            |               | Consumer          |  | CONTRACTOR OF THE PARTY OF THE | Market Announced and Annual States of the Contract of the Cont |
|                            | • ****        | Services &        | Outdoor  | Street  |  |
| Expense                    | <u>Meters</u> | <u>Accounting</u> | <u>Lighting</u>  | <u>Lighting</u>   | Total  |
| Purchased Power            |               |                   |  | Annual Addition (VIII) or a manual and appropriate Mary passes and an   | 29,508,73  |
| Distibution Operations     | 460,319       | -                 | 92,946   |   | 1,308,61   |
| Distribution Maintenance   | 39,930        | _                 | ### AMERICAN STREET, SAN AMERI |   | 1,778,96   |
| Consumer Accounts          |               | 751,586           |  |   | 751,58   |
| Customer Service           |               | 170,884           |  |   | 170,88   |
| Administative & General    | 155,579       | 166,377           | 39,911   | -   | 830,9  |
| Depreciation               | 55,704        | 12,783            | 54,102   |   | 1,872,5  |
| Miscellaneous              | 1,141         | 354               | 1,119  |   | 35,2   |
| Interest on Long Term Debt | 48,879        | 9,880             | 53,029   | -   | 1,688,0  |
| Short Term Interest        | 642           | 130               | 696  | -   | 22,1   |
| Total Costs                | 762,194       | 1,111,994         | 241,804  |   | 37,967,6   |
| Margin Requirements        | 48,879        | 9,880             | 53,029   | •••   | 1,688,0  |
| Revenue Requirements       | 811,073       | 1,121,874         | 294,833  | -   | 39,655,6   |

#### SHELBY ENERGY COOPERATIVE CASE NO. 2009-00410 RATE BASE ALLOCATION

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|     | 1              |  |            |                | l            | Distribution Plant | Balances  |              |           |
|-----|----------------|--|------------|----------------|--------------|--------------------|-----------|--------------|-----------|
| 1 . |                |  |            | <del>- 1</del> |              |                    |           | Consumer     |           |
| 2   |                |  |            |                |              |                    |           | & Accounting | Outdoor   |
| 3   | Plant          |  | \$\$\$\$   | Lines          | Transformers | Services           | Meters    | Services     | Lighting  |
| 4   | <u>Account</u> | <u>Description</u>   | φφφφ       | -              |              |                    |           |              |           |
| 5   | 301            | Organization   |            |                |              |                    |           |              |           |
| 6   | 360            | Land and land rights   | 18,496,901 | 18,496,901     |              |                    |           |              |           |
| 7   | 364            | Poles, towers & fixtures   | 17,024,566 | 16,861,984     |              |                    |           |              | 162,582   |
| 8   | 365            | Overhead conductors & devices  | 307,519    | 307,519        |              |                    |           |              |           |
| 9   | 366            | Underground conduit  | 3,339,955  | 3,339,955      |              |                    |           |              |           |
| 10  | 367            | Underground conductor & devices  | 8,718,269  | 3,505,500      | 8.718.269    |                    | -1/       |              |           |
| 11  | 368            | Line transformers  |            |                | 0,1.10,2.11  | 9,242,035          |           |              |           |
| 12  | 369            | Services   | 9,242,035  |                |              |                    | 1,458,360 |              | <b>H</b>  |
| 13  | 370            | Meters   | 1,458,360  |                |              |                    | -         |              |           |
| 14  | 370.1          | Meters, AMR  |            |                |              |                    |           |              | 1,642,26  |
| 15  | 371            | Installations on customer premises   | 1,642,267  |                |              |                    |           |              | 58,91     |
| 16  | 373            | Street lights  | 58,916     | 39,006,359     | 8,718,269    | 9,242,035          | 1,458,360 | -            | 1,863,76  |
| 17  |                | Total Distribution Plant   | 60,288,788 | 64.7%          | 14.5%        | 15.3%              | 2.4%      | 0.0%         | 3.1       |
| 18  |                | Distibution Plant Percent  | 100.00%    | 04.770         | 14.570       |                    |           |              |           |
| 19  |                |  |            | 4 000 673      | 93           | _                  | 597,299   | 638,752      | 153,22    |
| 20  |                | Total General Plant  | 3,190,044  | 1,800,673      | 0.0%         | 0.0%               | 18.7%     |              | 4.8       |
| 21  |                | General Plant Percent  | 100.00%    | 56.4%          | 0.070        |                    |           |              |           |
| 22  |                |  |            | 10.007.000     | 8,718,362    | 9,242,035          | 2,055,659 | 638,752      | 2,016,99  |
| 23  |                | Total Utility Plant  | 63,478,832 | 40,807,032     |              | 14.56%             | 3,24%     |              | 3.18      |
| 24  |                | Utility Plant Percent  | 100.00%    | 64.28%         | 13.7370      | 14.5070            |           |              |           |
| 25  |                |  |            |                |              |                    |           |              |           |
| 26  |                | Accum. Depreciation  |            |                | 1,407,324    | 1,491,871          | 235,412   | -            | 300,85    |
| 27  | +              | Distribution Plant   | 9,731,959  | 6,296,499      | 1,407,324    | 1,431,071          | 314,410   |              | 80,65     |
| 28  |                | General Plant  | 1,679,194  | 947,849        | 49           |                    | 014,110   |              |           |
| 29  |                |  |            |                | <del></del>  | 7,750,164          | 1,505,837 | 302,522      | 1,635,48  |
| 30  |                | Net Plant  | 52,067,678 | 33,562,684     | 7,310,989    | 14.88%             | 2.89%     |              | 3.14      |
| 31  |                | Net Plant Percent  | 100.00%    | 64.46%         | 14.04%       | 14.0070            | 2.007     | 0,000        |           |
| 32  |                | Not it is, it.   |            |                |              | 76,375             | 12,052    |              | 15,40     |
| 33  |                | CWIP   | 498,222    | 322,346        | 72,047       | 76,373             | 12,002    |              |           |
| 34  |                | - Contract of the contract of  |            |                |              | 7,000,500          | 1,517,889 | 302,522      | 1,650,88  |
| 35  |                | Subtotal   | 52,565,900 | 33,885,029     | 7,383,036    | 7,826,539          | 1,517,008 | J GOL, GL    | 1,1222,12 |
| 36  |                | Plus   |            |                |              |                    | 17 107    | 3,421        | 18,6      |
|     |                | Cash Working Capital   | 594,492    | 383,221        | 83,498       | 88,514             | 17,167    |              | 9,7       |
| 37  |                |  | 310,666    | 200,262        |              | 46,255             | 8,971     |              | 3,5       |
| 38  |                | Materials & Supplies   | 111,589    | 71,932         |              | 16,614             | 3,222     | 642          | 3,3       |
| 39  |                | Prepayments  | 111,000    |                |              |                    |           |              | 27,7      |
| 40  |                | O  | 897,015    | 580,361        | 129,716      | 137,509            | 21,698    | 3 -          | 21,1      |
| 41  |                | Minus: Consumer Advances   | 037,010    |                |              |                    |           |              | 4 055 0   |
| 42  |                | The state of the s | 52,685,632 | 33,960,083     | 7,396,126    | 7,840,414          | 1,525,550 | 308,373      | 1,655,0   |
| 43  |                | Net Investment Rate Base   | 32,000,002 | - 00,000,000   |              |                    |           |              |           |
| 44  |                |  | 1          | 64.46%         | 6 14.04%     | 14.88%             | 2.90      | % 0.59%      | 3.1       |

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### **CLASSIFICATION SUMMARY**

| and the second s |           |                        |            |                    |          |                    |
|--|-----------|------------------------|------------|--------------------|----------|--------------------|
|  |           |                        |            |                    |          |                    |
|  | Consumer  | Demand                 | Energy     |                    |          |                    |
| delignation dependence of the first constitution of the first constitu | Related   | Related                | Related    | Security           | Street   |                    |
|  | Costs     | <u>Costs</u>           | Costs      | Lighting           | Lighting | <u>Total</u>       |
|  |           | 6 505 282              | 23,003,451 | Sand Sand          |          | 29,508,73          |
| Purchased Power  | 1,305,971 | 6,505,282<br>4,517,262 | -          | <b>1</b>           |          | 5,823,23           |
| Lines Transformers   | 164,213   | 686,345                | in.        |                    |          | 850,55             |
| Services   | 1,245,392 | _                      | -          | -                  |          | 1,245,39           |
| Meters   | 811,073   | _                      |            | -                  |          | 811,07             |
| Consumer Services  |           |                        |            |                    |          | 4 404 0            |
| & Accounting   | 1,121,874 | -                      |            | 004.000            |          | 1,121,87<br>294,83 |
| Lighting   | 4,648,524 | 11,708,889             | 23,003,451 | 294,833<br>294,833 |          | 39,655,69          |

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#### **CLASSIFICATION OF EXPENSES**

|                            | Jon restrict G |              |              |           |
|----------------------------|----------------|--------------|--------------|-----------|
|                            |                |              |              |           |
|                            |                | Consumer     | Demand       |           |
|                            |                | Related      | Related      |           |
| Expense                    | Lines          | Costs        | Costs        | Total     |
| Purchased Power            | _              | _            | -            | -         |
| Distibution Operations     | 610,659        | 136,952      | 473,707      | 610,65    |
| Distribution Maintenance   | 1,319,346      | 295,888      | 1,023,457    | 1,319,34  |
| Consumer Accounts          | _              | -            | -            |           |
| Customer Service           | -              | -            | _            | -         |
| Administative & General    | 469,024        | 105,188      | 363,836      | 469,02    |
| Depreciation               | 1,211,104      | 271,613      | 939,491      | 1,211,10  |
| Miscellaneous              | 22,644         | 5,078        | 17,565       | 22,64     |
| Interest on Long Term Debt | 1,088,084      | 244,024      | 844,060      | 1,088,08  |
| Short Term Interest        | 14,290         | 3,205        | 11,085       | 14,29     |
| Total Costs                | 4,735,150      | 1,061,948    | 3,673,202    | 4,735,15  |
| Margin Requirements        | 1,088,084      | 244,024      | 844,060      | 1,088,08  |
| Revenue Requirements       | 5,823,234      | 1,305,971    | 4,517,262    | 5,823,23  |
|                            |                |              |              |           |
|                            |                |              |              |           |
|                            |                | Consumer     | Demand       |           |
|                            | 2              | Related      | Related      |           |
| Expense                    | Transformers   | Costs        | Costs        | Total     |
| Purchased Power            | -              | -            | -            | _         |
| Distibution Operations     | -              | -            | -            | _         |
| Distribution Maintenance   | 107,089        | 20,675       | 86,414       | 107,08    |
| Consumer Accounts          | -              | _            | -            |           |
| Customer Service           | -              | -            | -            | _         |
| Administative & General    | 24             | 5            | 20           | 2         |
| Depreciation               | 261,550        | 50,496       | 211,054      | 261,55    |
| Miscellaneous              | 4,838          | 934          | 3,904        | 4,83      |
| Interest on Long Term Debt | 236,972        | 45,751       | 191,221      | 236,97    |
| Short Term Interest        | 3,112          | 601          | 2,511        | 3,11      |
| Total Costs                | 613,586        | 118,462      | 495,124      | 613,58    |
| Margin Requirements        | 236,972        | 45,751       | 191,221      | 236,97    |
| Revenue Requirements       | 850,558        | 164,213      | 686,345      | 850,55    |
|                            |                |              |              |           |
|                            |                | Energy       | Demand       |           |
|                            |                | Related      | Related      |           |
|                            |                | <u>Costs</u> | <u>Costs</u> |           |
| Purchased Power            | 29,508,733     | 23,003,451   | 6,505,282    | 29,508,73 |

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#### **CLASSIFICATION OF EXPENSES**

|                            | Consumer Related Costs |                 |            |              |  |  |  |
|----------------------------|------------------------|-----------------|------------|--------------|--|--|--|
|                            |                        |                 |            |              |  |  |  |
|                            |                        |                 | Consumer   |              |  |  |  |
|                            |                        |                 | Services & |              |  |  |  |
| <u>Expense</u>             | <u>Services</u>        | <u>Meters</u>   | Accounting | <u>Total</u> |  |  |  |
| Purchased Power            | -                      | -               | -          | -            |  |  |  |
| Distibution Operations     | 144,688                | 460,319         | -          | 605,007      |  |  |  |
| Distribution Maintenance   | 312,601                | 39,930          | -          | 352,531      |  |  |  |
| Consumer Accounts          | -                      | -               | 751,586    | 751,586      |  |  |  |
| Customer Service           | -                      | -               | 170,884    | 170,884      |  |  |  |
| Administative & General    | -                      | 155,579         | 166,377    | 321,956      |  |  |  |
| Depreciation               | 277,261                | 55,704          | 12,783     | 345,748      |  |  |  |
| Miscellaneous              | 5,128                  | 1,141           | 354        | 6,624        |  |  |  |
| Interest on Long Term Debt | 251,207                | 48,879          | 9,880      | 309,967      |  |  |  |
| Short Term Interest        | 3,299                  | 642             | 130        | 4,071        |  |  |  |
| Total Costs                | 994,185                | 762,194         | 1,111,994  | 2,868,373    |  |  |  |
| Margin Requirements        | 251,207                | 48,879          | 9,880      | 309,967      |  |  |  |
| Revenue Requirements       | 1,245,392              | 811,073         | 1,121,874  | 3,178,339    |  |  |  |
|                            |                        |                 |            |              |  |  |  |
|                            |                        |                 |            |              |  |  |  |
|                            |                        | 6               |            |              |  |  |  |
|                            |                        | <u>Lighting</u> |            |              |  |  |  |
| Expense                    |                        |                 |            |              |  |  |  |
| Purchased Power            |                        | _               |            |              |  |  |  |
| Distibution Operations     |                        | 92,946          |            |              |  |  |  |
| Distribution Maintenance   |                        | -               |            |              |  |  |  |
| Consumer Accounts          |                        | -               |            |              |  |  |  |
| Customer Service           |                        | -               |            |              |  |  |  |
| Administative & General    |                        | 39,911          |            |              |  |  |  |
| Depreciation               |                        | 54,102          |            |              |  |  |  |
| Miscellaneous              |                        | 1,119           |            |              |  |  |  |
| Interest on Long Term Debt |                        | 53,029          |            |              |  |  |  |
| Short Term Interest        |                        | 696             |            |              |  |  |  |
| Total Costs                |                        | 241,804         |            |              |  |  |  |
| Margin Requirements        |                        | 53,029          |            |              |  |  |  |
| Revenue Requirements       |                        | 294,833         |            |              |  |  |  |
|                            |                        |                 |            |              |  |  |  |
|                            |                        |                 |            |              |  |  |  |
|                            |                        |                 |            |              |  |  |  |
|                            |                        |                 |            |              |  |  |  |
|                            |                        |                 |            |              |  |  |  |

Exhibit R
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Witness: Jim Adkins

#### **DEMAND AND CONSUMER RELATED INVESTMENTS**

|                    | ACCOUNT 6              | 4 - POLES         |           |               |             |
|--------------------|------------------------|-------------------|-----------|---------------|-------------|
| Actual Data        |                        |                   |           | LI-it C       |             |
| Poles              | Size                   | <u>Investment</u> | Number    | <u>Unit C</u> | OSI         |
|                    |                        |                   | of Units  |               |             |
| 35' & less         | 30                     | 2,567,276         | 14,935    |               | 1.90        |
| 40' & 45"          | 42.5                   | 8,426,740         | 18,958    |               | 4.50        |
| 50' & over         | 55                     | 660,004           | 1,258     | 52            | 4.65        |
|                    |                        |                   |           |               |             |
| 0.1.4.4.1          |                        | 11,654,020        | 35,151.00 |               |             |
| Subtotal           |                        | 11,004,020        | 33,131.00 |               |             |
| Other Investment f | or this                | 6,842,881         |           |               |             |
| Account            |                        | 18,496,901        | 35,151.00 |               |             |
| Total Investment   |                        | 10,490,901        | 30,101.00 |               | <del></del> |
| 2. Demand and Co   | onsumer Investment Per | cents             |           |               |             |
| Use Minimum Size   | <u> </u>               |                   |           | 17            | 71.90       |
| Number of poles    |                        |                   |           | 35,151.00     |             |
| Consumer Related   | Investment             |                   |           | 6,042         | 2,338       |
| Total Investment   |                        |                   |           | 18,496        | 3,901       |
| Percent Custome    | r Related              |                   |           | 32            | 2.67        |
| Percent Demand     |                        |                   |           | 67            | 7.339       |
|                    |                        |                   |           |               |             |
|                    | ACCOUNT 365 - OVE      | RHEAD CONDUC      | ror       |               |             |
| 1. Actual Data     |                        |                   |           |               |             |
|                    |                        |                   | Number    |               |             |
| Conductor          |                        | Investment        | of Units  | Unit (        |             |
| Duplex             |                        | 34,996            | 87,156    |               | 401         |
| Triplex            |                        | 1,008,724         | 555,737   |               | .815        |
| #2 ACSR            |                        | 4,463,340         | 8,643,526 |               | .516        |
| #4 ACSR            |                        | 87,263            | 1,179,584 |               | .074        |
| #1/0 ACSR          |                        | 719,762           | 1,758,575 |               | .409        |
| #3/0 ACSR          |                        | 216,683           | 1,023,832 |               | .211        |
| #4/0 ACSR          |                        | 657,631           | 1,030,946 |               | .637        |
| 336.4 ACSR         |                        | 1,232,146         | 1,646,433 | <del></del>   | .748        |
| 2 ACWC             |                        | 15,631            | 149,071   |               | .104        |
| 4 ACWC             |                        | 2,419             | 39,451    |               | .061        |
| 8 ACWC             |                        | 145,684<br>58,111 | 1,468,002 |               | .099        |
|                    |                        |                   | 898,115   | \$ 0          | .064        |

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Witness: Jim Adkins

#### DEMAND AND CONSUMER RELATED INVESTMENTS

|          |               | ACCOUNT 36               | 5 - OVERHEAD      | CONDUCTOR C                  | ONTINUED         |                      |
|----------|---------------|--------------------------|-------------------|------------------------------|------------------|----------------------|
|          | 9 1/2 ACW     | С                        |                   | 1,663                        | 54,226           | \$ 0.0307            |
|          | #2, 3-7 Stra  |                          |                   | 28,032                       | 314,394          | \$ 0.0892            |
|          | 4-3 Strand    |                          |                   | 29,822                       | 445,246          | \$ 0.0670            |
|          | #6 Strand 0   |                          |                   | 166                          | 1,528            | \$ 0.1085            |
|          | 1/0 7 Stran   |                          |                   | 10,494                       | 81,873           | \$ 0.1282            |
|          | 4/0 Quadra    |                          |                   | 17,090                       | 5,591            | \$ 3.0567            |
|          | 2/0 Neutral   |                          |                   | 50                           | 50               | \$ 1.0042            |
|          | 350 MCM (     |                          |                   | 893                          | 610              | \$ 1.4640            |
|          | 500 MCM S     |                          |                   | 9,336                        | 1,897            | \$ 4.9215            |
|          | #477 MCM      |                          |                   | 4,350                        | 1,584            | \$ 2.7462            |
|          |               | LXLP Conducto            | or                | 374                          | 290              | \$ 1.2902            |
|          |               |                          |                   | ,                            |                  |                      |
|          |               |                          |                   |                              |                  |                      |
|          |               |                          |                   |                              |                  |                      |
|          |               |                          | -                 | ,                            |                  |                      |
|          |               |                          |                   |                              |                  | - 1111-7-7           |
|          |               |                          |                   |                              |                  |                      |
|          |               |                          |                   |                              |                  |                      |
|          |               |                          | <u> </u>          |                              |                  |                      |
|          |               |                          |                   |                              |                  |                      |
|          | SUBTOTA       |                          |                   | 8,744,659                    | 19,387,717       | \$ 0.4510            |
|          |               | H Conductor Inv          | rest              | 8,279,907                    | .0,00,,,         | <u> </u>             |
|          | TOTAL         | - Conductor in           | /001.             | 17,024,566                   | 19,387,717       |                      |
|          | 101/12        |                          |                   |                              | .0,00.,          |                      |
|          | 2 Demand      | l and Consume            | er Investment P   | ercents                      |                  |                      |
|          | Z. Demand     | and Consume              | i ilivestinelle i | Ciccinto                     |                  |                      |
|          | Use Minim     | um Size                  |                   | • •                          |                  | 0.09924              |
|          | Amount of     |                          |                   |                              |                  | 19,387,717           |
|          |               | Related Investr          | nent              |                              |                  | 1,924,029            |
|          | Total Inves   |                          | TIOTIL .          |                              |                  | 17,024,566           |
|          |               | ustomer Relate           | ed ,              |                              |                  | 11.30%               |
|          |               | emand Related            |                   |                              |                  | 88.70%               |
|          |               |                          |                   |                              |                  |                      |
| Brea     | akdown of L   | ines into Dema           | and Related and   | d Consumer Rel               | ated Componen    | ts                   |
|          |               |                          |                   |                              |                  |                      |
|          |               | Total Con                |                   |                              | Dema             |                      |
| L        | <u> </u>      | Investment               | Percent           | Amount                       | Percent          | Amount<br>15,100,537 |
| Pole     | ductor        | 17,024,566<br>18,496,901 | 11.30%<br>32.67%  | 1,924,029.40<br>6,042,337.93 | 88.70%<br>67.33% | 15,100,537           |
| POLE     | <del>75</del> | 10,490,901               | 32.0170           | 0,042,337.83                 | 07.33%           | 12,404,003           |
| <b> </b> | <del> </del>  | 35,521,467               |                   | 7,966,367.32                 |                  | 27,555,100           |
|          |               | 30,021,401               |                   | 1,000,001.02                 |                  | 27,000,100           |
| <b>-</b> | cent          | l l                      |                   | 22.43%                       |                  | 77.57%               |
| LPOF     |               |                          | 1                 | ££.70 /0                     |                  | 11.01/0              |

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Witness: Jim Adkins

#### **DEMAND AND CONSUMER RELATED INVESTMENTS**

|              |  | Account         | 368-Transforme | rs       |         |
|--------------|--|-----------------|----------------|----------|---------|
| 1. Actual D  | ata  | Account         | Tunoromic      |          |         |
| T. Atotaar 2 |  |                 | <u> </u>       |          |         |
| Transforme   | rs   | Size            | Investment     | Number   | Unit Co |
|              |  |                 |                | of Units |         |
|              |  |                 |                |          |         |
| 1.50         |  | 1.50            | 8,057          | 18       | 447     |
| 3.00         |  | 3.00            | 9,184          | 60       | 153     |
| 5.00         |  | 5.00            | 31,574         | 215      | 146     |
| 7.50         |  | 7.50            | (4,715)        | (21)     | 224     |
| 10.00        |  | 10.00           | 590,705        | 1,949    | 303     |
| 15.00        | Conv   | 15.00           | 3,677,638      | 7,113    | 517     |
| 25.00        |  | 25.00           | 1,254,840      | 2,060    | 609     |
| 37.50        | and the state of t | 37.50           | 172,546        | 251      | 687     |
| 50.00        | Conv   | 50.00           | 129,494        | 169      | 766     |
| 75.00        |  | 75.00           | 76,672.18      | 64       | 1,198   |
| 100.00       |  | 100.00          | 15,110         | 12       | 1,259   |
| 167.00       | Conv   | 167.00          | 42,536         | 26       | 1,635   |
| 250.00       |  | 250.00          | 4,534          | 2        | 2,267   |
| 500.00       | Conv   | 500.00          | 40,741         | 11       | 3,703   |
| 1,000.00     | Conv   | 1,000.00        | 39,733         | 7        | 5,676   |
| 200.00       | PAD  | 200.00          | 22,413         | 4        | 5,603   |
| 300.00       | PAD  | 300.00          | 28,946         | 5        | 5,789   |
| 750.00       | PAD  | 750.00          | 144,142        | 14       | 10,295  |
| 2500&3000    | PAD  | 2500&3000       | 236,964        | 11       | 21,542  |
| 500.00       | PAD  | 500.00          | 73,734         | 12       | 6,144   |
| 225.00       | PAD  | 225.00          | 31,860         | 6        | 5,310   |
| 1,500.00     | PAD  | 1,500.00        | 93,461         | 7        | 13,351  |
| 2,000.00     | PAD  | 2,000.00        | 63,554         | 3        | 21,184  |
| 1,000.00     | PAD  | 1,000.00        | 56,829         | 6        | 9,471   |
| Subtotal     |  |                 | 6,840,552      | 12,004   |         |
|              | ansformer Inve   | estment         | 7,020,803      | 12,004   |         |
| Total        | ansionner my   | Journal         | 13,861,355     |          |         |
|              | l and Consum   | er Investment P | ercents        |          |         |
| Z. Demaile   | and Consult  | or myeaunent r  | Crocito        |          |         |
| Intercept    | 222.937661   |                 |                |          |         |
| X Variable 1 |  |                 |                |          |         |
| Use Minim    |  |                 |                |          | 222     |
|              | transformers   |                 |                |          | 12,004  |
|              | Related Invest   | ment            |                |          | 2,676   |
| Total Inves  |  |                 |                |          | 13,861  |
| Percent C    | ustomer Relat  | ted             |                |          | 19      |

# SHELBY ENERGY COOPERATIVE CASE NO. 2009-00410 ALLOCATION OF EXPENSES TO RATE CLASSES

Exhibit R
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Witness: Jim Adkins

### INITIAL RESULTS OF THE COST OF SERVICE STUDY

|          |                                |  | 1   | 2  | Off-Peak  |
|----------|--------------------------------|--|---|--|---|
| Clossifi |                                | Green  | General   |  | Marketing   |
|          | Amount                         |  |   | Service  | ETS   |
|          |                                |  |   | 434 091  | _   |
|          |                                | 2 205  |   |  | 24,550  |
|          |                                | 3,200  |   |  |   |
|          |                                |  |   |  | Total Section |
| Demand   |                                |  |   |  | -   |
| Consumer |                                |  |   |  |   |
| Demand   |                                |  |   |  |   |
| Consumer | 1,245,392                      |  |   | <u></u>  | 337   |
| Consumer | 811,073                        |  | 436,796   | 22,981   | 4,311   |
|          |                                |  |   |  |   |
| Consumer | 1,121,874                      |  | 412,970   | 3,586  | 1,909   |
| Lighting | 294,833                        |  |   |  |   |
|          | 39,655,698                     | 3,285  | 12,137,905  | 3,093,716  | 31,107  |
|          |                                |  |   |  |   |
|          |                                |  | SUM   |  |   |
|          |                                |  | 1   |  | Off-Peak  |
|          |                                | The second district of the second sec | General   | Large Power  |   |
|          | Amount                         |  | Service   | Service  | Service   |
|          | 4,648,524                      | -  | 2,323,064   | 37,114   | 6,557   |
|          |                                | -  | 4,090,123   | 1,002,050  | _   |
|          | 23,003,451                     | 3,285  | 5,724,719   | 2,054,553  | 24,550  |
|          | 294,833                        |  |   |  |   |
| nts      | 39,655,698                     | 3,285  | 12,137,905  | 3,093,716  | 31,107  |
|          | Demand<br>Consumer<br>Consumer | cation         Amount           Demand         6,505,282           Energy         23,003,451           Consumer         1,305,971           Demand         4,517,262           Consumer         164,213           Demand         686,345           Consumer         1,245,392           Consumer         811,073           Consumer         1,121,874           Lighting         294,833           ts         39,655,698           Amount         4,648,524           11,708,889         23,003,451           294,833         294,833  | cation         Amount         Power           Demand         6,505,282         -           Energy         23,003,451         3,285           Consumer         1,305,971         -           Demand         4,517,262         -           Consumer         164,213         -           Demand         686,345         -           Consumer         1,245,392         -           Consumer         1,121,874         -           Lighting         294,833         -           sts         39,655,698         3,285           Amount         -         -           4,648,524         -         -           11,708,889         -         -           23,003,451         3,285           294,833         - | Classification         Amount         Power         General Service           Demand         6,505,282         2,186,729           Energy         23,003,451         3,285         5,724,719           Consumer         1,305,971         723,264           Demand         4,517,262         1,679,149           Consumer         164,213         68,036           Demand         686,345         224,245           Consumer         1,245,392         681,997           Consumer         811,073         436,796           Consumer         1,121,874         412,970           Lighting         294,833         3,285         12,137,905           sts         39,655,698         3,285         12,137,905           Sum         1         General           Amount         Service           4,648,524         -         2,323,064           11,708,889         -         4,090,123           23,003,451         3,285         5,724,719           294,833         -         4,090,123           23,003,451         3,285         5,724,719 | Classification         Amount         Green         General Service         Large Power Service           Demand         6,505,282         2,186,729         434,091           Energy         23,003,451         3,285         5,724,719         2,054,553           Consumer         1,305,971         723,264         5,014           Demand         4,517,262         1,679,149         501,046           Consumer         164,213         68,036         805           Demand         686,345         224,245         66,913           Consumer         1,245,392         681,997         4,728           Consumer         1,121,874         412,970         3,586           Lighting         294,833         12,137,905         3,093,716           SUMMARY           Amount         Service         Service           Amount         Service         Service           4,648,524         -         2,323,064         37,114           11,708,889         -         2,303,451         3,285         5,724,719         2,054,553           294,833         -         3,285         5,724,719         2,054,553  |

# SHELBY ENERGY COOPERATIVE CASE NO. 2009-00410 ALLOCATION OF EXPENSES TO RATE CLASSES

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Schedule 4
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Witness: Jim Adkins

#### INITIAL RESULTS OF THE COST OF SERVICE STUDY

|  | ,         |            |                   |                   |              |                          |
|--|-----------|------------|-------------------|-------------------|--------------|--------------------------|
|  |           |            |                   |                   |              |                          |
|  |           | 10         | B-1               | B-2               | 3            |                          |
|  | Classifi- | Opt. DSM   | Large             | Large             | Outdor & St. |                          |
| Function   | cation    | Schedule   | <u>Industrial</u> | <u>Industrial</u> | _Lighting_   | Total                    |
| Purchased Power  | Demand    | 1,846,624  | 1,517,955         | 502,993           | 16,891       | 6,505,282                |
| Purchased Power  | Energy    | 7,621,360  | 5,682,524         | 1,766,144         | 126,316      | 23,003,451               |
| Lines  | Consumer  | 574,549    | 1,020             | 85                | 2,040        | 1,305,971                |
| Lines  | Demand    | 1,453,532  | 835,440           | 18,085            | 30,010       | 4,517,262                |
| Transformers   | Consumer  | 92,199     | 1,945             | 1,136             | 93           | 164,213                  |
| Transformers   | Demand    | 194,115    | 148,760           | 48,304            | 4,008        | 686,345                  |
| Services   | Consumer  | 541,768    | ***               | -                 | 16,563       | 1,245,392                |
| Meters   | Consumer  | 346,984    | -                 | -                 |              | 811,073                  |
| Consumer Services  |           |            |                   |                   |              | -                        |
| & Accounting   | Consumer  | 676,836    | 1,201             | 31                | 25,341       | 1,121,874                |
| Lighting   | Lighting  |            |                   |                   | 294,833      | 294,833                  |
| Revenue Requiremen   |           | 13,347,966 | 8,188,845         | 2,336,779         | 516,094      | 39,655,698               |
|  |           |            |                   |                   |              | - 454 445 8789 9889 9899 |
|  |           |            |                   | SUMMARY           |              |                          |
|  |           | 10         | B-1               | B-2               | 3            | _                        |
| Appropries A - All Commission (AMPERICATION CONTINUES ) - respectivities Adv & ALVERY (APPROXIMATION OF APPROXIMATION OF APPR |           | Opt. DSM   | Large             | Large             | Outdor & St. | -                        |
|  |           | Schedule   | Industrial        | Industrial        | Lighting     | Total                    |
| Consumer Related   |           | 2,232,335  | 4,166             | 1,252             | 44,036       | 4,648,524                |
| Demand Related   |           | 3,494,271  | 2,502,155         | 569,383           | 50,909       | 11,708,889               |
| Energy Related   |           | 7,621,360  | 5,682,524         | 1,766,144         | 126,316      | 23,003,451               |
| Lighting   |           |            |                   |                   |              | 294,833                  |
| Revenue Requiremen   | its       | 13,347,966 | 8,188,845         | 2,336,779         | 221,261      | 39,655,698               |

#### SHELBY ENERGY CASE NO. 2009-00410

Exhibit R
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## LOAD DATA USED IN THE ALLOCATION OF THE DEMAND RELATED AND ENERGY RELATED COSTS Jim Adkins

|                   |  |             |           |                |             |            |   | 1           |
|-------------------|--|-------------|-----------|----------------|-------------|------------|---|-------------|
|                   |  |             |           |                |             |            |   |             |
|                   |  |             |           |                |             |            |   |             |
|                   |  |             |           | - SVEDOV KANIL |             |            | <u> </u>                                    |             |
|                   |  |             |           | ENERGY KWH     |             |            |   |             |
|                   |  |             | Off Deals | 10             | B-1         | B-2        | 3   |             |
|                   |  | 2           | Off-Peak  | Optional DSM   | Large       | Large      | Outdor & Street                             |             |
|                   | General  | Large Power | Marketing | Schedule       | Industrial  | Industrial | Lighting                                    | Total       |
| Month _           | Service  | Service     | ETS       | Scriedule      | mudatiai .  | TI GOOTION |   |             |
|                   |  |             | 400       | 44.646.000     | 11,892,430  | 3,498,617  | 191,038                                     | 39,763,945  |
| August            | 9,009,233  | 3,556,594   | -189      | 11,616,222     | 10,864,070  | 3,188,929  | 191,857                                     | 35,739,580  |
| September         | 7,957,743  | 3,334,261   | 509       | 10,202,211     | 10,081,363  | 3,117,221  | 191,770                                     | 30,955,205  |
| October           | 6,260,094  | 3,355,493   | 12,944    | 7,936,320      | 8,814,229   | 2,939,635  | 191,413                                     | 33,985,853  |
| November          | 8,154,591  | 2,927,998   | 56,807    | 10,901,180     | 8,662,657   | 2,139,759  | 192,181                                     | 42,557,736  |
| December          | 11,977,856   | 2,999,582   | 100,137   | 16,485,564     | 9,546,706   | 2,880,820  | 192,053                                     | 48,409,892  |
| January           | 13,364,882   | 3,264,331   | 125,163   | 19,035,937     |             | 2,930,900  |   | 40,283,729  |
| February          | 10,591,455   | 2,884,182   | 84,507    | 14,981,342     | 8,620,016   | 3,047,272  | 192,338                                     | 33,780,187  |
| March             | 7,501,994  | 2,858,538   | 51,814    | 10,278,744     | 9,849,487   | 2,571,297  | 192,398                                     | 31,012,547  |
| April             | 7,167,119  | 2,816,140   | 36,908    | 8,977,830      | 9,250,855   | 3,240,344  | 192,770                                     | 29,575,089  |
| May               | 5,724,817  | 2,903,684   | 7,027     | 7,664,001      | 9,842,446   | 3,434,763  | 1   | 35,432,247  |
| June              | 8,064,876  | 3,206,911   | 1,163     | 10,129,193     | 10,402,130  |            | 193,211                                     | 37,078,935  |
| July              | 8,691,800  | 3,384,406   | 418       |                | 10,236,477  | 3,704,711  | 2,305,054                                   | 438,574,945 |
|                   | 104,466,460  | 37,492,120  | 477,208   | 139,076,969    | 118,062,866 | 36,694,268 | 2,303,034                                   | 438,574,945 |
|                   |  |             |           |                |             |            |   | 430,374,843 |
| Allocation Rate E | A P. William Co., Co., Co., Co., Co., Co., Co., Co.,   |             |           |                |             |            | 0.205.054                                   | 283,340,603 |
| kWh               | 104,466,460  | 37,492,120  |           | 139,076,969    |             |            | 2,305,054                                   | 100.0%      |
| Percentage        | 36.87%   | 13.23%      |           | 49.08%         |             |            | 0.81%                                       | 100.076     |
|                   |  |             |           |                |             |            | April 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 |             |
| Allocation Rate B | and the second section of the sectio |             |           |                | 440,000,000 | 20 004 209 |   | 154,757,134 |
| kWh               |  |             |           |                | 118,062,866 | 36,694,268 |   | 100.00%     |
| Percentage        |  | 8.00 mg     | _         |                | 76.29%      | 23.71%     |   | 100.0070    |

SHELBY ENERGY

Exhibit R

# LOAD DATA USED IN THE ALLOCATION OF THE DEMAND RELATED AND ENERGY RELATED COSTS LOAD DATA USED IN THE ALLOCATION OF THE DEMAND RELATED AND ENERGY RELATED COSTS LEXNIBIT R Schedule 4 Page 22 of 30 Page 27 of 30 Page 37 of 30

|   |  |                |  | IO TO TUDO COIN  | CIDENT (BILLING | 2) DEMAND - KV   | v  |  |
|---|--|----------------|--|------------------|-----------------|--|--|--|
|   | SU   | IM OF MONTHLY  | CONTRIBUTION                               | IS TO EKPC COIN  | CIDENI (BILLING | 3) DEWARD III  |  |  |
|   |  |                | Off-Peak                                   | 10               | B-1             | B-2  | 3  |  |
|   | 1  | 2              | Marketing                                  | Optional DSM     | Large           | Large  | Outdor & Street  | THE RESERVE OF THE PARTY OF THE |
|   | General  | Large Power    |  | Schedule         | Industrial      | Industrial   | Lighting   | <u>Total</u>   |
| Month                                   | <u>Service</u>   | <u>Service</u> | <u>ETS</u>                                 | Ocheduic         |                 |  |  | THE PARTY SHOWS AND PARTY SHOW |
|   |  |                |  | 21,724           | 17,039          | 4,724  | MA   | 76,623   |
| August                                  | 27,627   | 5,509          |  | 20,985           | 17,180          | 5,040  |  | 74,499   |
| September                               | 26,854   | 4,440          |  | 17,092           | 14,357          | 5,648  | **   | 65,280   |
| October                                 | 21,687   | 6,496          |  |                  | 11,971          | 4,068  | and the same of th | 72,666   |
| November                                | 28,145   | 4,600          |  | 23,882<br>32,709 | 11,766          | 3,156  | -  | 93,321   |
| December                                | 39,380   | 6,310          |  |                  | 15,065          | 5,942  | 555  | 107,400  |
| January                                 | 42,807   | 6,616          |  | 36,415           | 15,315          | 5,003  | 556  | 97,558   |
| February                                | 37,795   | 6,845          | -  | 32,044           | 13,547          | 5,453  | 563  | 88,368   |
| March                                   | 33,618   | 6,222          |  | 28,965           | 12,338          | 4,805  | 526  | 63,530   |
| April                                   | 21,862   | 6,117          |  | 17,882           | 16,683          | 4,602  | 486  | 63,646   |
| May                                     | 20,177   | 5,404          | -  | 16,294           | 16,113          | 5,271  | -  | 75,782   |
| June                                    | 25,052   | 5,519          |  | 23,827           | 15,535          | 4,909  | -  | 69,975   |
| July                                    | 22,739   | 4,953          | -  | 21,839           | 176,909         | 58,621   | 2,686  | 948,648  |
| , | 347,743  | 69,031         | 0  | 293,658          | 170,303         | 30,00  |  | 948,648  |
|   |  |                | W 15-100-100-100-100-100-100-100-100-100-1 |                  | -               | ANALOGO PARTE STATE OF THE PARTE OF THE PART | A 1/2  |  |
| Allocation Rate E                       |  |                |  | 000 050          |                 |  | 2,686  | 713,118  |
| kW                                      | 347,743  | 69,031         |  | 293,658          |                 |  | 0.38%  | 100.0%   |
| Percentage                              | 48.76%   | 9.68%          |  | 41.18%           |                 |  |  |  |
| Allocation Rate B                       |  |                |  |                  | 476 000         | 58,621   |  | . 235,530  |
| kW                                      |  |                |  |                  | 176,909         | 24.89%   | 6  | 100.0%   |
| Percentage                              | AND A DESCRIPTION OF A SECURITY STATE AND ADDRESS OF A THE PARTY OF A SECURITY OF A SE |                |  |                  | 75.11%          | 24.087   | <u> </u>   |  |

## SHELBY ENERGY

Exhibit R

# Load Data USED In the Allocation of the Demand Related and Energy Related Costs. Jim Adkins

|  | Mary           | and the same of th |  |                |               |  |                 |  |
|--|----------------|--|--|----------------|---------------|--|-----------------|--|
|  |                |  | OF MONTHLY P   | ATE CLASSES PE | AK DEMAND - K | <b>N</b>   |                 |  |
|  |                | SUM  | OF WONTHET N   | ATE CEAGGEOTE  |               |  |                 |  |
|  |                |  | Off-Peak   | 10             | B-1           | B-2  | 3               |  |
| AND THE RESIDENCE AND THE RESI | 1              | 2  | Marketing  | Optional DSM   | Large         | Large  | Outdor & Street | ## ***********************************   |
|  | General        | Large Power  | ETS  | Schedule       | Industrial    | Industrial   | <u>Lighting</u> |  |
| Nonth  | <u>Service</u> | <u>Service</u>   | <u> </u>   | <u> </u>       |               |  |                 |  |
|  | - AM (1)       |  |  | 23,701         | 21,075        | 6,877  | 499             | 88,259   |
| ugust  | 27,627         | 8,480  | -  | 22,892         | 20,455        | 6,540  | 501             | 86,217   |
| September  | 26,854         | 8,975  |  | 19,224         | 20,123        | 6,212  | 500             | 76,132   |
| October  | 21,687         | 8,386  | -  | 23,882         | 18,539        | 6,229  | 500             | 85,911   |
| November   | 28,145         | 8,616  |  | 32,709         | 18,272        | 5,314  | 555             | 104,930  |
| December   | 39,380         | 8,706  |  | 36,415         | 18,224        | 5,942  | 556             | 112,99   |
| January  | 42,807         | 9,050  | **   | 32,044         | 17,972        | 5,953  | 563             | 103,07   |
| ebruary  | 37,795         | 8,750  | -  | 28,965         | 18,809        | 5,936  | 526             | 96,66  |
| March  | 33,618         | 8,814  | -  | 18,797         | 18,446        | 5,988  | 503             | 73,97  |
| April  | 21,862         | 8,380  | The state of the s | 16,294         | 18,871        | 6,204  | 503             | 70,27  |
| Мау  | 20,177         | 8,225  |  | 23,827         | 20,097        | 6,947  | 505             | 85,16  |
| June   | 25,052         | 8,733  |  | 22,269         | 19,804        | 6,765  | 504             | 80,73  |
| July   | 22,739         | 8,649  | - 0  | 301,019        | 230,687       | 74,907   | 6,215           | 1,064,33   |
|  | 347,743        | 103,764  | · ·  | 001,010        |               |  |                 |  |
| Allocation %   |                |  | 0.00%  | 28.28%         | 21.67%        | 7.04%  | 0.58%           | 100  |
| Transformers   | 32.67%         | 9.75%  | 0.00%  | 20.2070        |               |  |                 |  |
|  |                |  | AND THE PERSON NAMED IN COLUMN TWO IS NOT THE PERSON OF TH | 301,019        | 173,015       | 3,745  | 6,215           | 935,50   |
| Allocation %   | 347,743        | 103,764  | **   |                | 18.49%        | 0.40%  | 0.66%           | 100  |
| Lines  | 37.17%         | 11.09%   | 0.00%  | 32.18%         | 10.4970       | 0.4070   |                 |  |
|  |                |  |  |                |               | A STATE OF THE PARTY OF THE PAR |                 | The state of the s |

#### SHELBY ENERGY COOPERATIVE CASE NO. 2009-00410

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|  | d conduit)   |  |  |   |  |   | All Alam                                      |
|--|--|--|--|---|--|---|---|
| es ar                                      | d conduit)   |  |  |   |  | Number of                                 | Allocation                                    |
|  |  |  |  |   |  | Consumers                                 | Percent                                       |
|  |  |  |  | •   |  | 8,511                                     | 55.38%  |
| 1_   | General Service  |  |  |   |  | 0   | 0.00%   |
|  | ETS Marketing Rate   |  |  |   |  | 59  | 0.38%   |
| 2  | Large Power Service  |  |  |   |  | 6,761                                     | 43.99%  |
| 10   | Optional DSM Rate  |  |  |   |  | 12  | 0.08%   |
| B-1_                                       | Large Power Rate   |  |  |   |  | 1   | 0.01%   |
| B-2  | Large Power Rate   |  |  |   |  | 24  | 0.16%   |
| 3  | Outdoor & St. Lighting   |  |  |   |  |   |   |
|  |  |  |  |   |  |   |   |
|  |  |  |  |   | and the second s |   |   |
|  | AND THE RESIDENCE AND THE RESI |  |  |   |  | 15,368                                    | 100.0%  |
|  |  |  |  |   |  |   |   |
|  |  |  |  |   |  |   |   |
| ansfo                                      | rmers  |  | _  |   | 4  | 5   | 6   |
|  |  | 1  | 2  | 3   | Number   |   |   |
|  |  | Minimum  | Cost of  | Weighted  | of   | Relative                                  | Allocation                                    |
|  |  |  |  | Coot  | (3)  | Meignive                                  |   |
| A ST STATE OF THE PARTY AND ADDRESS OF THE |  | Size   | Minimum  | Cost  |  | \\/eight                                  |   |
|  |  | Size Transform.  | Transform.   | Min = 1   | Customers  | Weight                                    | Percent                                       |
| 1  | Conoral Service  |  |  |   |  | Weight 8,511                              | Percent<br>41.4%                              |
| 1  |  | Transform.   | <u>Transform.</u><br>\$ 303.08   | Min = 1<br>1.00   | <u>Customers</u><br>8,511.00   | 8,511                                     | Percent 41.4% 0.0%                            |
|  | ETS Marketing Rate   | Transform.   | <u>Transform.</u><br>\$ 303.08<br>517.03                               | Min = 1<br>1.00<br>-<br>1.71                            | Customers<br>8,511.00<br>-<br>59.00  | 8,511<br>-<br>101                         | Percent 41.4% 0.0% 0.5%                       |
| 2  | ETS Marketing Rate Large Power Service   | Transform. 10 KVA  | <u>Transform.</u><br>\$ 303.08   | Min = 1<br>1.00<br>-<br>1.71<br>1.71                    | Customers<br>8,511.00<br>-<br>59.00<br>6,761.00  | 8,511<br>-<br>101<br>11,534               | Percent  41.4%  0.0%  0.5%  56.1%             |
| 2<br>10                                    | ETS Marketing Rate  Large Power Service  Optional DSM Rate   | Transform.  10 KVA  -  15 KVA                            | <u>Transform.</u><br>\$ 303.08<br>517.03                               | Min = 1<br>1.00<br>-<br>1.71<br>1.71<br>20.27           | Customers<br>8,511.00<br>-<br>59.00<br>6,761.00<br>12.00   | 8,511<br>-<br>101<br>11,534<br>243        | Percent  41.4%  0.0%  0.5%  56.1%  1.2%       |
| 2<br>10<br>B-1                             | ETS Marketing Rate Large Power Service Optional DSM Rate Large Power Rate  | 10 KVA<br>-<br>15 KVA<br>15 KVA<br>500 KVA               | Transform.<br>\$ 303.08<br>517.03<br>517.03                            | Min = 1<br>1.00<br>-<br>1.71<br>1.71<br>20.27<br>142.15 | Customers<br>8,511.00<br>-<br>59.00<br>6,761.00<br>12.00<br>1.00   | 8,511<br>-<br>101<br>11,534<br>243<br>142 | Percent  41.4%  0.0%  0.5%  56.1%  1.2%  0.7% |
| 2<br>10<br>B-1<br>B-2                      | ETS Marketing Rate  Large Power Service  Optional DSM Rate  Large Power Rate  Large Power Rate   | 10 KVA<br>-<br>15 KVA<br>15 KVA<br>500 KVA<br>2-2500 KVA | Transform.<br>\$ 303.08<br>517.03<br>517.03<br>\$6,144.49              | Min = 1<br>1.00<br>-<br>1.71<br>1.71<br>20.27           | Customers<br>8,511.00<br>-<br>59.00<br>6,761.00<br>12.00   | 8,511<br>-<br>101<br>11,534<br>243        | Percent  41.4%  0.0%  0.5%  56.1%  1.2%       |
| 2<br>10<br>B-1                             | ETS Marketing Rate Large Power Service Optional DSM Rate Large Power Rate Large Power Rate   | 10 KVA<br>-<br>15 KVA<br>15 KVA<br>500 KVA               | Transform.<br>\$ 303.08<br>517.03<br>517.03<br>\$6,144.49<br>43,084.29 | Min = 1<br>1.00<br>-<br>1.71<br>1.71<br>20.27<br>142.15 | Customers<br>8,511.00<br>-<br>59.00<br>6,761.00<br>12.00<br>1.00   | 8,511<br>-<br>101<br>11,534<br>243<br>142 | Percent  41.4%  0.0%  0.5%  56.1%  1.2%  0.7% |
| 2<br>10<br>B-1<br>B-2                      | ETS Marketing Rate  Large Power Service  Optional DSM Rate  Large Power Rate  Large Power Rate   | 10 KVA<br>-<br>15 KVA<br>15 KVA<br>500 KVA<br>2-2500 KVA | Transform.<br>\$ 303.08<br>517.03<br>517.03<br>\$6,144.49<br>43,084.29 | Min = 1<br>1.00<br>-<br>1.71<br>1.71<br>20.27<br>142.15 | Customers<br>8,511.00<br>-<br>59.00<br>6,761.00<br>12.00<br>1.00   | 8,511<br>-<br>101<br>11,534<br>243<br>142 | Percent  41.4%  0.0%  0.5%  56.1%  1.2%  0.7% |
| 2<br>10<br>B-1<br>B-2                      | ETS Marketing Rate  Large Power Service  Optional DSM Rate  Large Power Rate  Large Power Rate   | 10 KVA<br>-<br>15 KVA<br>15 KVA<br>500 KVA<br>2-2500 KVA | Transform.<br>\$ 303.08<br>517.03<br>517.03<br>\$6,144.49<br>43,084.29 | Min = 1<br>1.00<br>-<br>1.71<br>1.71<br>20.27<br>142.15 | Customers<br>8,511.00<br>-<br>59.00<br>6,761.00<br>12.00<br>1.00   | 8,511<br>-<br>101<br>11,534<br>243<br>142 | Percent  41.4%  0.0%  0.5%  56.1%  1.2%  0.7% |

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| Service  | 98                     |           |   |                |           |                  | 6          |            |
|----------|------------------------|-----------|---|----------------|-----------|------------------|------------|------------|
| Jei Vice |                        | 1         | 2   | 3              | 4         | 5                | 0          |            |
|          |                        | Minimum   | Cost  | Average        |           | Number           | Deletino   | Allocation |
|          |                        | Size      | Per   | Length of      | Cost of   | of               | Relative   | Percent    |
|          |                        | Service   | Unit  | <u>Service</u> | Service   | <u>Customers</u> | Weight     |            |
|          |                        |           | \$ -  | 65.00          | 383.00    | 8,511            | 3,259,713  | 54.76%     |
| 1        | General Service        | 2 Tpx     | -   | 10.00          | 19.15     | 84               | 1,609      | 0.03%      |
|          | ETS Marketing Rate     | 4/0 Tpx   |   | 65.00          | 383.00    | 59               | 22,597     | 0.38%      |
| 2        | Large Power Service    | 2 Tpx     |   | 65.00          | 383.00    | 6,761            | 2,589,463  | 43.50%     |
|          | Optional DSM Rate      | 4/0 Tpx   |   | -              | -         | 12               | -          | 0.00%      |
| B-1      | Large Power Rate       | 4/U 1 PX  |   |                |           | 1                |            | 0.00%      |
| B-2      | Large Power Rate       |           |   | 10.00          | 19.15     | 4,134            | 79,166     | 1.33%      |
| 3        | Outdoor & St. Lighting |           |   |                | -         | -                | -          | 0.00%      |
|          |                        | #6        | \$ -  | 15.00          | -         |                  | ••         | 0.00%      |
|          |                        | #0        | <u>φ -                                   </u> |                |           | 19,562.00        | 5,952,548  | 100%       |
|          |                        |           |   |                |           |                  |            |            |
|          |                        |           |   |                |           |                  |            |            |
| Mete     | rs                     |           | 2   | 3              | 4         | 5                | 6          |            |
|          |                        | 1         | Cost of                                       | Weighted       | Number    |                  |            |            |
|          |                        | Minimum   |   | Cost           | of        | Relative         | Allocation |            |
|          |                        | Size      | Minimum                                       | Meter          | Customers | Weight           | Percent    |            |
|          |                        | Meter     | Meter   | 1.00           | 8,511     | 8,511.00         | 53.854%    |            |
| 1        | General Service        | 240V C200 | 39.00   | 1.00           | 84        | 84.00            | 0.532%     |            |
|          | ETS Marketing Rate     | 240V C200 | 39.00   | 7.59           | 59        | 447.79           | 2.833%     |            |
| 2        | Large Power Service    | 240V C200 | 296.00  | 1.00           | 6,761     | 6,761.00         | 42.781%    |            |
| 10       | Public Facilites       | 240V C200 | 39.00   | 1.00           | 12        |                  | 0.000%     |            |
| B-1      | Large Power Rate       | 240V C200 | -   | _              | 1         |                  | 0.000%     |            |
| B-2      | Large Power Rate       | 240V C200 |   |                |           |                  | 0.000%     |            |
| 3        |                        |           | -   |                | _         | -                | 0.000%     |            |
|          |                        |           |   |                |           |                  | 0.000%     |            |
|          |                        |           | I -   | -              |           | 15,803.79        | 100.0%     |            |

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|         |                        | ALLOCATION   |  |  |                |  |  |  |
|---------|------------------------|--|--|--|----------------|--|--|--|
|         |                        |  |  |  |                | - Annual Control of the Control of t |  |  |
| ccour   | nting Services         |  |  |  |                | Allocation   |  | and the second s |
|         |                        |  | Meter  | Consumers  | Total          | Percent  |  |  |
|         |                        |  | Reading  | Records  |                | 36.81%   | Afternoon of the second |  |
| e Clas  | S                      |  | 133,403  | 105,738  | 239,141        | 0.17%  |  |  |
| 1       | General Service        |  | 658  | 447  | 1,106          | 0.32%  | The second secon |  |
|         | ETS Marketing Rate     | . Annual superior and the superior of the supe | 925  | 1,152  | 2,077          | 60.33%   |  |  |
| 2       | Large Power Service    |  | 211,947  | 179,993  | 391,940<br>696 | 0.11%  |  |  |
| 10      | Optional DSM Rate      |  | 376  | 319  | 18             | 0.00%  |  | The same of the sa |
| B-1     | Large Power Rate       |  | <b>15</b>  | 18   | 14,674         | 2.26%  |  |  |
| B-2     | Large Power Rate       | AND THE PERSON NAMED IN COLUMN TWO IS NOT THE PERSON NAMED IN COLUMN TWO IS |  | 14,674   | 14,074         | 0.00%  |  |  |
| 3       | Outdoor & St. Lighting |  | and the same of th |  |                | 0.00%  |  | to a particular state of the st |
|         |                        |  |  |  |                | 0.00%  |  |  |
|         |                        | -  |  | The second secon |                | 0.00%  |  | and the way a second second second second  |
|         |                        |  |  | 200 242  | 649,651        | 100%   |  |  |
|         |                        |  | 347,309  | 302,342  | 040,001        |  |  | and the second s |
|         |                        |  | eter Readi   | na   |                |  |  |  |
|         |                        | M  | eter Reau  | 119  |                |  |  |  |
|         |                        |  |  | Nhor of  | Relative       | Allocation   | Expense  |  |
|         |                        |  |  | Number of  | Weight _       | Percent  | Allocated  |  |
|         |                        | Factor   |  | Consumers  | 8,511          | 38.4%  | 133,403  |  |
| ate Cla | ass                    | 1.00   |  | 8,511  |                | 0.2%   | 658  |  |
| 1       |                        | 0.50   |  | 84   | 42<br>59       | 0.3%   | 925  |  |
|         | ETS Marketing Rate     | 1.00   |  | 59   | 1              | 61.0%  |  |  |
| 2       | 2 Large Power Service  | 2.00   |  | 6,761  | 13,522         | 0.1%   |  |  |
| B-1     | Optional DSM Rate      | 2.00   |  | 12   |                | 0.0%   |  |  |
| B-2     | Large Power Rate       |  |  | 1  |                | 0.070  |  |  |
| 1       | 3 Large Power Rate     |  |  | 24   |                |  |  |  |
|         | Outdoor & St. Lighting | _  |  |  |                |  |  |  |
|         |                        | -  |  |  | 22,158         | 100.0%   | 326,264  |  |
|         |                        |  |  | 1  | 72,100         |  |  | 1  |

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|        |  | Cone               | umer Reco                               | rds               |          |                |  | _            |
|--------|--|--------------------|---|-------------------|----------|----------------|--|--------------|
|        |  | CONS               | Tarner reco                             |                   |          |                |  |              |
|        |  |                    |   | Number of         | Relative | Allocation     | Expense  |              |
|        |  | Factor             |   | Consumers         |          | Percent        | Allocated  |              |
| e Clas |  | Factor             |   | 8,511.00          | 59,577   | 35.0%          | 105,738  |              |
| 1      | General Service  |                    | - 100 1 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 | 84.00             | 252      | 0.1%           | 447  |              |
|        | ETS Marketing Rate   | 3                  |   | 59.00             | 649      | 0.4%           |  |              |
| 2      | Large Power Service  | 11                 |   | 6,761.00          | 101,415  | 59.5%          |  |              |
| B-1    | Optional DSM Rate  | 15                 |   | 12.00             | 180      | 0.1%           |  |              |
| B-2    | Large Power Rate   | 15<br>10           |   | 1.00              | 10       | 0.0%           |  | head of many |
| 3      | Large Power Rate   | 2                  |   | 4,134.00          | 8,268    | 4.9%           | 14,674   |              |
|        | Outdoor & St. Lighting   | 4                  |   | 7,104.00          |          | 0.0%           |  |              |
|        |  |                    |   |                   |          | 0.0%           | - And the specimen of the spec |              |
|        | And the second s |                    |   | -                 |          | And the second |  |              |
| _      | -  |                    |   |                   | 170,351  | 100%           | 296,112  |              |
| -      | -  |                    |   |                   |          |                |  |              |
|        |  |                    |   |                   |          | A              | The second state of the se |              |
|        |  | Determination of F | actors for (                            | Cosnumer Re       | ecords   |                |  |              |
|        |  | Determination of F | actors for c                            | Joonanie III      |          |                | A STATE OF THE PARTY OF THE PAR |              |
|        |  |                    |   |                   | PF       | Minimum        |  |              |
|        |  | Base Rate          |   | FC                | Ratchet  | Energy         | Total  |              |
|        |  | Components         | FAC                                     | ES                |          | ) (            |  |              |
| 1      | General Service  | 5                  | 1                                       |                   | 1        |                |  |              |
|        | ETS Marketing Rate   |                    | 1                                       |                   | 1        | 1              | 11   |              |
| 2      | Large Power Service  | 8                  |   |                   | •        | • }            | 2 15   |              |
| B-1    | Optional DSM Rate  | 8                  |   |                   | ·        | -              | 2 15   |              |
| B-2    | Large Power Rate   | 8                  |   |                   |          |                | 0 10   |              |
| 3      |  | 8                  |   | 5 0.              |          |                | 0 2  |              |
|        | Outdoor & St. Lighting   | 1                  | 0.5                                     | ) <sub> </sub> 0. |          | <u> </u>       |  |              |

# SHELBY ENERGY COOPERATIVE CASE NO. 2009-00410

Exhibit R
Schedule 5
Page 28 of 30
Witness: Jim Adkins

## DETERMINATION OF INCREASE BY RATE CLASS

|                                 |  | J = 1 - 1 · 1 · 1  | MINATION 0   |  |  |                     |                        |              |            |
|---------------------------------|--|--|--|--|--|---------------------|------------------------|--------------|------------|
|                                 |  |  | The second of Second se | and a second sec |  |                     |                        |              |            |
|                                 |  |  |  |  |  |                     |                        |              |            |
|                                 |  |  |  |  | 40   | B-1                 | B-2                    | 3            |            |
|                                 |  | 1  | 2  | Off-Peak   | 10   |                     | Large                  | Outdor & St. | -          |
|                                 | Green  | General  | Large Power  | Marketing  | Opt. DSM   | Large<br>Industrial | Industrial             | Lighting     | Total      |
|                                 | Power  | Service  | Service  | ETS  | Schedule   | Illuusillai         | madarar                |              |            |
| Tatal Poyonuo                   |  | and the second s |  |  |  |                     | 0.006.770              | 516,094      | 39,655,698 |
| otal Revenue                    | 3,285  | 12,137,905   | 3,093,716  | 31,107   | 13,347,966   | 8,188,845           | 2,336,779<br>2,381,732 | 420,846      | 36,594,160 |
| Requirements Revenue from Rates | 3,497  | 10,312,536   | 3,162,537  | 25,349   | 12,055,527   | 8,232,136           | (44,953)               | 95,248       | 3,061,538  |
| Under (Over)                    | (212)  | 1,825,369  | (68,821)   | 5,758  | 1,292,439  | (43,291)            | (44,933)               | 30,270       |            |
|                                 |  | and an experience of the second secon |  | The second secon |  |                     |                        | 14 CE1       | 793,343    |
| Other Devenue                   |  | 359,007  | -  | -  | 419,685  |                     | -                      | 14,651<br>2% | 195,54     |
| ess Other Revenue               |  | 45%  |  | AMAZON TO THE REAL PROPERTY OF THE PERSON OF | 53%  |                     |                        | ۷/0          |            |
| COSS Based                      |  |  |  | THE LOCAL COLUMN TWO COLUMN TWO COLUMN TWO COLUMNS TO SERVICE AND ADDRESS OF THE COLUM | Marian Ma |                     |                        |              |            |
| Revenue Increase                | (212)  | 1,466,362  | (68,821)   | 5,758  | 872,754  | (43,291)            | (44,953)               | 80,598       | 2,268,19   |
| (Decrease)                      | (2.12)   |  | 0.400/   | 22.72%   | 7.24%  | -0.53%              | -1.89%                 | 19.15%       | 6.20       |
| Increase Percent                |  | 14.22%   | -2.18%   | 22.12.70   | 1.2470   |                     |                        |              |            |
| Revised Increase Due to         |  |  |  |  | (83,201)   | 43,291              | 44,953                 | (2,904)      |            |
| No Rate Decreases               | 212  | (71,172)   | 68,821   |  | (63,201)   | 70,201              | ,-                     |              |            |
|                                 |  |  | 00.004   |  | (83,201)   | 43,291              | 44,953                 | (2,904)      |            |
|                                 | 212  | (71,172)   | 68,821   | 5,758  | 789,553  | -                   | -                      | 77,693       | 2,268,19   |
| Revised Increase                | -  | 1,395,191  | -  | 3,700  | 1,00,000   |                     |                        |              |            |
| In annual Porcent               | Marie Control Control of the State of the St | 13.53%   | 0.00%  | 22.72%   | 6.55%  | 0.00%               | 0.00%                  | 18.46%       | 6.20       |
| Increase Percent                |  |  |  |  |  |                     |                        |              |            |
| Revenue Requirement             |  | 44 707 707   | 3,162,537  | 31,107   | 12,845,080   | 8,232,136           | 2,381,732              | 498,539      | 38,862,35  |
| from Rates                      |  | 11,707,727   | 3,102,337  | 1 01,107   |  | 1                   |                        |              |            |

### CLARK ENERGY COOPERATIVE CASE NO. 2009-00314 PROPOSED RATE DESIGN

Exhibit R
Schedule 6
Page 29 of 30
Witness: Jim Adkins

| Rate Do                             | <u>esign</u>    | - Combined              | Rate Schedi     | lies for Kale | 1 and Rate 10  |  |             |           |               |
|-------------------------------------|-----------------|-------------------------|-----------------|---------------|----------------|--|-------------|-----------|---------------|
|                                     |                 |                         |                 |               |                |  |             |           |               |
| Revenu                              | ie Re           | quirements              |                 |               |                |  |             |           | 11,707,727    |
|                                     | Rate            | 1 Revenue R             | tequirements    |               |                |  |             |           | 12,845,080    |
|                                     | Rate            | 10 Revenue              | Requirement     | S             | - d Deta Class | - Andrews of the American and American |             |           | 24,552,806    |
|                                     | Tota            | il Revenue Re           | quirements to   | or the Compin | ed Rate Class  |  |             |           |               |
|                                     |                 |                         |                 |               |                |  |             | 0         | - bined       |
| Billing (                           | Jnits           |                         |                 |               | te 1           |  | e 10        |           | nbined        |
|                                     | T               |                         |                 | Consumers     | Energy kWh     |  |             |           | Energy kWh    |
|                                     | Res             | idential Consu          | imers           | 67,126        |                |  | 137,352,815 | 146,715   | 223,315,783   |
|                                     | General Service |                         |                 | 34,300        | 18,503,492     | 1,762                                  |             |           | 20,227,646    |
|                                     | -               |                         |                 | 101,426       | 104,466,460    | 81,351                                 | 139,076,969 | 182,777   | 243,543,42    |
|                                     | +               |                         |                 |               |                |  |             |           | _             |
| Cost Based Consumer Facility Charge |                 |                         |                 |               | Rate 1         | <u>Rate 10</u>                         | Total       |           |               |
| COSLD                               | Con             | sumer Relate            | d Costs         |               |                |  | 2,323,064   | 2,232,335 |               |
|                                     | Nun             | nber of Consu           | mer Billing U   | nits          |                |  | 101,426     | 81,351    | 182,77        |
|                                     | Cos             | t Based Cons            | umer Facility   | Charge        |                |  |             |           | \$ 24.92      |
|                                     | 003             | L Dasca Cono            | T               |               |                |  |             |           |               |
|                                     |                 | ates for New I          | Poto Classes    |               |                |  |             | Billing   |               |
| Propos                              |                 | sumer Facility          |                 |               |                |  | Rate        | Units     | Revenue       |
|                                     | COI             | Residential (           |                 |               |                |  | 9.75        | 146,715   | \$ 1,430,469  |
|                                     |                 |                         | vice - Single F | ⊥<br>Phase    |                |  | 12.52       | 35,930    | 449,847       |
|                                     |                 | Ceneral Ser             | vice - Single i | Phase         |                |  | 32.56       | 132       |               |
|                                     |                 | General Ser             | vice - Timee i  | 11400         |                |  |             |           | \$ 1,884,614  |
| AL THE T WANTED AND ADDRESS.        | Fne             | ray Pata                |                 |               |                |  |             |           |               |
|                                     | EITE            | ergy Rate<br>Revenue Re | quirements      |               |                |  |             |           | \$ 22,668,193 |
| <b> </b>                            |                 |                         |                 |               |                |  |             |           | 243,543,429   |
|                                     |                 | Energy kWh              |                 |               |                |  |             |           | \$ 0.0930     |
|                                     |                 | Energy Rate             |                 |               |                | -                                      |             |           |               |

#### CLARK ENERGY COOPERATIVE CASE NO. 2009-00314 PROPOSED RATE DESIGN

Exhibit R
Schedule 6
Page 30 of 30
Witness: Jim Adkins

| Off-Peak Retail Marketing Rate (ETS)                     |  |  |    |            |
|--|--|--|----|------------|
| Total Revenue Requirements                               | AND IN COLUMN THE REAL PROPERTY AND ADDRESS OF THE PARTY AND ADDRESS OF |  | \$ | 31,107     |
| Total Energy kWh   |  |  |    | 477,208    |
| Energy Charge per kWh                                    |  |  | \$ | 0.06519    |
|  |  |  |    |            |
| Rate Design - Rate 2 Large Power Service                 |  |  |    |            |
|  |  |  |    |            |
| Consumer Facility Charge                                 |  |  |    | 37,114     |
| Consumer Related Revenue Requirements                    |  |  |    | 740        |
| Number of Consumer Billing Units                         |  |  | \$ | 50.15      |
| Consumer Facillity Charge                                |  | MANUFACTURE OF THE SECTION AND THE SECTION OF THE S | Φ  | 50.15      |
| Demand Charge - No Change                                |  |  | \$ | 4.97       |
| Demand Charge - No Change                                |  |  |    |            |
| Energy Charge  |  |  |    |            |
| Current Revenue from Energy                              |  |  |    | 2,594,978  |
| Less Revenue from Proposed Energy Rate                   | and the second s |  | \$ | 37,111     |
| Revenue Requirements from Energy                         |  |  |    | 2,557,867  |
| Energy kWh   |  |  |    | 37,492,120 |
| Energy Rate  |  |  | \$ | 0.06822    |
| D. t. D. t. 2 Outdoor and Street Lighting Service        |  |  |    |            |
| Rate Design - Rate 3 Outdoor and Street Lighting Service |  |  |    |            |
| Increase in Revenue Requirements                         |  |  | \$ | 77,693     |
| Current Revenue from Rates                               |  |  |    | 420,846    |
| Percentage Increase in Rates                             |  |  |    | 18.5%      |
|  | Current  |  | F  | Proposed   |
|  | Rates  | Multiplier   |    | Rate       |
| 100 Watt HPS Security Light                              | \$7.86   | 118.46%  |    | 9.31       |
| 100 Watt Decorative Colonial Light                       | \$10.50  | 118.46%  |    | 12.44      |
| 400 Watt Directional Flood Light                         | \$16.43  | 118.46%  |    | 19.46      |
| 250 Watt Directional Flood Light                         | \$11.73  | 118.46%  |    | 13.90      |
| 150 Watt Decorative Acorn                                | \$12.61  | 118.46%  | \$ | 14.94      |

#### Shelby Energy Cooperative Case No. 2009-00410 Statement of Operations, Adjusted

Exhibit S page 1 of 4 Witness: Jim Adkins

|                               | Actual     | Normalized   | Normalized       | Proposed        | Proposed            |
|-------------------------------|------------|--|------------------|-----------------|---------------------|
|                               | Test Year  | <u>Adjustments</u>   | <u>Test Year</u> | <u>Increase</u> | <u>Test Year</u>    |
| Operating Revenues:           |            |  |                  |                 |                     |
| Base rates                    | 30,550,303 | 6,043,858  | 36,594,161       | 2,268,197       | 38,862,358          |
| Fuel and surcharge            | 5,988,022  | (5,988,022)  | 0                |                 | 0                   |
| Other electric revenue        | 699,735    | 19,321   | 719,056          |                 | 719,056             |
|                               | 37,238,060 | 75,157   | 37,313,217       | 2,268,197       | 39,581,414          |
| _                             |            | Commission of the Commission o |                  |                 |                     |
| Operating Expenses:           |            |  |                  |                 |                     |
| Cost of power:                |            |  |                  |                 |                     |
| Base rates                    | 23,356,769 | 6,151,964  | 29,508,733       |                 | 29,508,733          |
| Fuel and surcharge            | 5,413,678  | (5,413,678)  | 0                |                 | 0                   |
| Distribution - operations     | 1,265,042  | 71,441   | 1,336,483        |                 | 1,336,483           |
| Distribution - maintenance    | 1,698,668  | 80,298   | 1,778,966        |                 | 1,778,966           |
| Consumer accounts             | 702,620    | 21,097   | 723,717          |                 | 723,717             |
| Customer service              | 156,453    | 10,828   | 167,281          |                 | 167,281             |
| Sales                         | 3,355      | 248  | 3,603            |                 | 3,603               |
| Administrative and general _  | 929,801    | (98,886)   | 830,915          |                 | 830,915             |
| Total operating expenses _    | 33,526,386 | 823,312  | 34,349,698       | 0               | 34,349,698          |
| Depreciation                  | 1,829,713  | 42,791   | 1,872,504        |                 | 1,872,504           |
| Taxes - other                 | 35,224     | 0  | 35,224           |                 | 35,224              |
| Interest on long-term debt    | 1,652,811  | 35,241   | 1,688,052        |                 | 1,688,052           |
| Interest expense - other      | 54,824     | (32,654)   | 22,170           |                 | 22,170              |
| Other deductions              | 3,562      | (3,562)  | 0                |                 | 0                   |
| Total cost of electric servic | 37,102,520 | 865,128  | 37,967,648       | 0               | 37,967,648          |
| Utility operating margins     | 135,540    | (789,971)  | (654,431)        | 2,268,197       | 1,613,766           |
| Nonoperating margins, intere  | 47,984     | 0  | 47,984           |                 | 47,984              |
| Income from equity investme   | 50,722     | 0  | 50,722           |                 | 50,722              |
| Nonoperating margins, other   | (116,105)  | 0  | (116,105)        |                 | (116,105)           |
| Patronage capital credits     | 441,865    | (350,180)  | 91,685           |                 | 91,685              |
| Net Margins                   | \$560,006  | (\$1,140,151)  | (\$580,145)      | \$2,268,197     | <b>\$1</b> ,688,052 |
| TIER                          | 1.34       |  | 0.66             |                 | 2.00                |

## Shelby Energy Cooperative Case No. 2009-00410 Balance Sheet, Adjusted

Exhibit S

page 2 of 4

Witness: Jim Adkins

| June 30, 200                          | 9                          |  |                              |
|---------------------------------------|----------------------------|--|------------------------------|
| <u>ASSETS</u>                         | Actual<br><u>Test Year</u> | Adjustments<br>to Test Year  | Adjusted<br><u>Test Year</u> |
| Electric Plant:                       |                            |  |                              |
| In service                            | 63,478,258                 |  | 63,478,258                   |
| Under construction                    | 498,796                    |  | 498,796                      |
|                                       | 63,977,054                 |  | 63,977,054                   |
| Less accumulated depreciation         | 11,336,003                 | 38,849   | 11,374,852                   |
|                                       | 52,641,051                 | (38,849)   | 52,602,202                   |
| Investments                           | 9,030,455                  | White the second | 9,030,455                    |
| Current Assets:                       |                            |  |                              |
| Cash and temporary investments        | 2,320,828                  |  | 2,320,828                    |
| Accounts receivable, net              | 3,679,731                  |  | 3,679,731                    |
| Material and supplies                 | 295,332                    |  | 295,332                      |
| Prepayments and current assets        | 83,534                     |  | 83,534                       |
| • ,                                   | 6,379,425                  |  | 6,379,425                    |
| Net change in assets and defer debits | 107,695                    | 1,166,895  | 1,274,590                    |
| Total                                 | 68,158,626                 | 1,128,046  | 69,286,672                   |
| MEMBERS' EQUITIES AND LIABI           | <u>LITIES</u>              |  |                              |
| Margins:                              |                            |  |                              |
| Other equities                        | 563,291                    |  | 563,291                      |
| Patronage capital                     | 24,892,866                 | 1,128,046  | 26,020,912                   |
|                                       | 25,456,157                 | 1,128,046  | 26,584,203                   |
| Long Term Debt                        | 34,506,968                 |  | 34,506,968                   |
| Accumulated postretirement benefits   | 1,895,285                  |  | 1,895,285                    |
| Current Liabilities:                  |                            |  |                              |
| Accounts payable                      | 4,456,074                  |  | 4,456,074                    |
| Consumer deposits                     | 386,110                    |  | 386,110                      |
| Accrued expenses                      | 561,017                    |  | 561,017                      |
| ·                                     | 5,403,201                  |  | 5,403,201                    |
| Consumer advances for construction    | 897,015                    |  | 897,015                      |

68,158,626

1,128,046

69,286,672

Total

Shelby Energy Cooperative Case No. 2009-00410 Summary of Adjustments to Test Year

|          | Exhibit   | S |
|----------|-----------|---|
|          | page 3 of | 2 |
| Witnece. | Iim Adki  | n |

|  |                |                         |                  |                        |                    |                 |                  | -                | -                    |           |                  |                     |                     |                   |             |                          |                          |                       |                                    |
|--|----------------|-------------------------|------------------|------------------------|--------------------|-----------------|------------------|------------------|----------------------|-----------|------------------|---------------------|---------------------|-------------------|-------------|--------------------------|--------------------------|-----------------------|------------------------------------|
|  | Adj l          | Adj 2                   | Adj 3            | Adj 4                  | Adj 5              | Adj 6           | Adj 7            | Adj 8            | Adj 9                | Adj 10    | Adj 11           | Adj 12              | Adj 13              | Adj 14            | Adj 15      | Adj 16<br><u>Norm</u>    | Adj 17<br><u>alize</u>   | Adj 18                |                                    |
|  | Salaries       | Payroll<br><u>Taxes</u> | <u>Deprec</u>    | Property<br><u>Tax</u> | Interest           | FAS 106<br>Cost | Retirement       | <u>Donations</u> | Professional<br>Fees | Directors | Misc<br>Expenses | Rate<br><u>Case</u> | CATV<br>Attachments | Non-<br>Recurring | <u>EKPC</u> | Purchase<br><u>Power</u> | Revenue                  | Additional<br>Revenue | <u>Total</u>                       |
| Operating Revenues: Base rates Fuel and surcharge Other electric revenue   |                |                         |                  |                        |                    |                 |                  |                  |                      |           |                  |                     | 16,961              | 17,698            |             |                          | 6,043,858<br>(5,988,022) | (15,338)              | 6,043,858<br>(5,988,022)<br>19,321 |
|  | 0              | 0                       | 0                | 0                      | 0                  | 0               | 0                | 0                | 0                    | 0         | 0                | 0                   | 16,961              | 17,698            | 0           | 0                        | 55,836                   | (15,338)              | 75,157                             |
| Operating Expenses:<br>Cost of power:<br>Base rates<br>Fuel and surcharge  |                |                         |                  |                        |                    | 2.007           | 21 200           |                  |                      |           |                  |                     |                     |                   |             | 6,151,964<br>(5,413,678) |                          |                       | 6,151,964<br>(5,413,678)<br>71,441 |
| Distribution - operations  | 15,106         | 1,334                   | (921)            |                        |                    | 2,007<br>3,313  | 31,200<br>51,497 |                  |                      |           |                  |                     |                     |                   |             |                          |                          |                       | 80,298                             |
| Distribution - maintenance   | 24,933         | 2,202<br>578            | (1,647)<br>(423) |                        |                    | 870             |                  |                  |                      |           |                  |                     |                     |                   |             |                          |                          |                       | 21,097                             |
| Consumer accounts  | 6,548<br>3,401 | 300                     | (350)            |                        |                    | 452             |                  |                  |                      |           |                  |                     |                     |                   |             |                          |                          |                       | 10,828                             |
| Customer service<br>Sales  | 3,401<br>75    | 300<br>7                | (330)            |                        |                    | 10              |                  |                  |                      |           |                  |                     |                     |                   |             |                          |                          |                       | 248                                |
| Administrative and genera  | 7,487          | 661                     | (601)            | 1,744                  |                    | 995             |                  |                  | (60,989)             | (44,201)  | (43,445)         | 24,000              | )                   |                   |             |                          |                          |                       | (98,886                            |
| Administrative and genera  |                |                         |                  |                        |                    |                 |                  |                  |                      |           |                  |                     |                     |                   | 0           | 738,286                  | 0                        |                       | 823,312                            |
| Total operating expenses   | 57,550         | 5,082                   | (3,942)          | 24,459                 | 0                  | -               | 118,865          |                  | (60,989)             | (44,201)  | (43,445)         | 24,000              | ) 0<br>             |                   |             | 738,280                  |                          |                       | 42,791                             |
| Depreciation Taxes - other Interest on long-term debt Interest expense - other Other deductions                    |                |                         | 42,791           |                        | 35,241<br>(32,654) |                 |                  | (3,562           | ·)                   |           |                  |                     |                     |                   |             |                          |                          |                       | 35,241<br>(32,654<br>(3,562        |
| Other adadetions   |                | ********                |                  |                        |                    |                 |                  |                  |                      | (44.201   | (43,445)         | 24,00               |                     | 0                 | 0           | 738,286                  | 0                        | 0                     | 865,128                            |
| Total cost of electric ser   |                | 5,082                   | 38,849           | 24,459                 | 2,587              |                 |                  | (3,562           |                      | (44,201   | (43,443)         | 24,000              |                     | _                 |             |                          |                          |                       |                                    |
| Utility operating margins  | (57,550)       | (5,082)                 | (38,849)         | (24,459)               | (2,587             |                 |                  |                  |                      | 44,201    | 43,445           | (24,00              | 0) 16,961           | 17,698            | 0           | (738,286)                | 55,836                   | •                     | (789,971                           |
| Nonoperating margins, into<br>Income from equity investr<br>Nonoperating margins, oth<br>Patronage capital credits | erest<br>nents |                         |                  |                        |                    |                 |                  |                  |                      |           |                  |                     |                     |                   | (350,180)   | ,                        | ***********              |                       | (350,180                           |
|  | 0              | 0                       | 0                | 0                      | 0                  | 0               | 0                | (                | ) 0                  | 0         | 0                |                     | 0 (                 | ,                 | (350,180)   | 0                        |                          |                       | (350,18                            |
| Net Margins  | (57,550)       | (5,082)                 | (38,849)         |                        | (2,587             | (7,647          | 7) (118,865)     | ) 3,562          | 2 60,989             | 44,201    | 43,445           | (24,00              | 0) 16,961           | 17,698            | (350,180)   | (738,286)                | 55,836                   | (15,338)              | (1,140,15)                         |
|  |                |                         |                  |                        |                    | <u> </u>        | = =====          |                  |                      |           |                  |                     |                     |                   |             |                          |                          |                       |                                    |

| 1  |  | Exhibit S<br>page 4 of 4 |
|----|--|--------------------------|
| 2  |  | Witness: Jim Adkins      |
| 4  |  |                          |
| 5  | Shelby Energy Cooperative                              |                          |
| 6  | Case No. 2009-00410                                    |                          |
| 7  | Proposed Revenues                                      |                          |
| 8  | June 30, 2009  |                          |
| 9  |  |                          |
| 10 |  |                          |
| 11 |  |                          |
| 12 | Interest on long term debt                             | 1,688,052                |
| 13 |  |                          |
| 14 | Normalized margins                                     | (580,145)                |
| 15 |  |                          |
| 16 | Proposed increase in revenues over normalized revenues |                          |
| 17 | to attain a TIER of 2.0x                               | \$2,268,197              |
| 18 |  |                          |
| 19 |  |                          |
| 20 |  |                          |
| 21 |  |                          |

#### Shelby Energy Cooperative Case No. 2009-00410 Monthly Operating Budget July 31, 2009

|   | August   | September  | October  | November  | December  | <u>January</u>  | February   | March  | <u>April</u>  | May  | <u>June</u>  | <u>July</u>  | <u>Total</u>   |
|---|--|--|--|---|---|---|--|--|---|--|--|--|--|
| Operating revenue   | 3,479,350  | 3,215,354  | 2,536,973  | 3,026,438   | 2,882,056   | 3,887,589   | 3,711,174  | 3,614,272  | 2,998,153   | 2,948,419  | 3,303,389  | 3,431,578  | 39,034,745   |
| Operating expenses: Cost of power Distribution-operations Distribution-maintenan Consumer accounts Customer services Sales Administrative and gen | 2,624,930<br>79,243<br>117,355<br>72,619<br>9,874<br>170<br>61,946 | 2,552,643<br>101,134<br>94,020<br>69,230<br>18,075<br>(16,043)<br>62,215 | 2,095,161<br>100,600<br>100,462<br>70,722<br>14,147<br>2,933<br>47,083 | 2,100,167<br>109,130<br>88,249<br>62,823<br>14,020<br>1,255<br>49,088 | 2,401,292<br>121,997<br>120,353<br>75,216<br>12,985<br>2,732<br>102,685 | 3,319,898<br>116,966<br>100,259<br>69,782<br>6,456<br>(1,463)<br>63,895 | 2,976,919<br>106,986<br>114,184<br>57,036<br>13,649<br>4,388<br>55,667 | 2,683,699<br>120,166<br>140,084<br>60,170<br>14,106<br>327<br>67,733 | 2,312,454<br>111,936<br>97,384<br>58,729<br>14,266<br>827<br>72,209 | 2,201,613<br>112,527<br>112,741<br>57,950<br>13,050<br>305<br>58,353 | 2,526,305<br>106,386<br>109,059<br>62,186<br>13,366<br>416<br>84,684 | 2,938,087<br>105,957<br>133,938<br>48,394<br>18,939<br>350<br>82,816 | 30,733,168<br>1,293,028<br>1,328,088<br>764,857<br>162,933<br>(3,803)<br>808,374 |
| Total operation and m   | 2,966,137  | 2,881,274  | 2,431,108  | 2,424,732   | 2,837,260   | 3,675,793   | 3,328,829  | 3,086,285  | 2,667,805   | 2,556,539  | 2,902,402  | 3,328,481  | 35,086,645   |
| Depreciation Taxes-other Interest on long term d Interest expense - othe Other deductions   | 151,149<br>2,857<br>140,808<br>2,049<br>7                          | 151,980<br>2,857<br>141,989<br>1,891<br>144                              | 152,440<br>2,857<br>149,111<br>1,959                                   | 152,812<br>4,393<br>136,546<br>1,872                                  | 152,443<br>4,393<br>141,986<br>2,069<br>12                              | 153,634<br>2889<br>144,720<br>3,699<br>109                              | 154,731<br>2,889<br>115,468<br>3,447<br>132                            | 155,181<br>2,889<br>149,590<br>3,727<br>0                            | 155,775<br>2,889<br>144,720<br>2,361<br>215                         | 156,304<br>2,888<br>135,918<br>1,956<br>193                          | 156,963<br>2,889<br>148,752<br>1,896<br>41                           | 157,120<br>2,889<br>144,720<br>1,968<br>224                          | 1,850,532<br>37,579<br>1,694,328<br>28,894<br>1,081                              |
| Total cost of electric s  | 3,263,007  | 3,180,135  | 2,737,479  | 2,720,355   | 3,138,163   | 3,980,844   | 3,605,496  | 3,397,672  | 2,973,765   | 2,853,798  | 3,212,943  | 3,635,402  | 38,699,059   |
| Utility operating margi   | 216,343  | 35,219   | (200,506)  | 306,083   | (256,107)   | (93,255)  | 105,678  | 216,600  | 24,388  | 94,621   | 90,446   | (203,824)  | 335,686  |
| Nonoperating margins, i   | 24,734<br>(584)  | 19,333<br>(368)  | 18,567<br>(357)  | 13,626<br>(296)   | 17,341<br>30,542  | 5,743<br>(530)  | 7,532<br>(497)   | 6,345<br>(451)   | 6,993<br>(2,483)  | 7,169<br>(411)   | 7,288<br>(4,630)   | 6,561<br>(4,415)<br>   | 141,232<br>15,520  |
| Patronage capital:<br>G & T<br>Others   | 0  | 0<br>58,466  | 0  | 0   | 0   | 7,004   | 0<br>14,193<br>  | 0<br>10,452<br>  | 0<br>(80)   | 0<br>0   | 0<br>0   | 0  | 0<br>90,035<br>  |
|   | 0  | 58,466   | 0  | 0   | 0   | 7,004   | 14,193   | 10,452   | (80)  | 0  | 0  | 0  | 90,035   |
| Net margins   | 240,493<br>======  | 112,650  | (182,296)  |   | (208,224)   | (81,038)  | 126,906  | 232,946  | 28,818<br>======  | 101,379<br>======  | 93,104<br>======   | (201,678)<br>======  | 582,473<br>======  |

| 1  | Exhibit U   |
|----|---|
| 2  | page 1 of 1   |
| 3  | Witness: Debbie Martin  |
| 4  | Shelby Energy Cooperative   |
| 5  | Case No. 2009-00410   |
| 6  | By - Laws Changes   |
| 7  | July 31, 2009   |
| 8  |   |
| 9  |   |
| 10 | The last rate increase that Shelby had was in 1983. Since that time substantially |
| 11 | every aspect of the By-Laws have been changed. The current copy is attached.      |
| 12 |   |
| 13 |   |
| 14 |   |
| 15 |   |
| 16 |   |
| 17 |   |
| 18 |   |

| 1        | Shelby Energy Coope            | erative            | Exhibit V           |
|----------|--------------------------------|--------------------|---------------------|
| 2        | Case No. 2009-004              |                    | page 1 of 3         |
| 3        | Statement of Operation         |                    | Witness: Jim Adkins |
| 4        | July 31, 2009                  |                    |                     |
| 5        |                                |                    |                     |
| 6        |                                | <u>2009</u>        | <u>2008</u>         |
| 7        | 0 1                            | <b>627 220 060</b> | ¢26.492.062         |
| 8        | Operating revenue              | \$37,238,060       | \$36,483,063        |
| 9        | Operating expenses:            |                    |                     |
| 10       | Cost of power                  | 28,770,447         | 28,437,667          |
| 11       | Distribution-operations        | 1,265,042          | 1,268,551           |
| 12<br>13 | Distribution-maintenance       | 1,698,668          | 1,337,933           |
|          | Consumer accounts              | 702,620            | 752,675             |
| 14<br>15 | Consumer service               | 156,453            | 127,528             |
| 16       | Sales                          | 3,355              | 4,540               |
| 17       | Administrative and general     | 929,801            | 734,926             |
| 18       | Administrative and general     | 33,526,386         | 32,663,820          |
| 19       |                                | 00,020,000         | , ,                 |
| 20       | Depreciation and amortization  | 1,829,713          | 1,763,751           |
| 21       | Taxes-other                    | 35,224             | 36,257              |
| 22       | Interest on long term debt     | 1,652,811          | 1,677,980           |
| 23       | Other interest expense         | 54,824             | 28,569              |
| 24       | Other deductions               | 3,562              | 3,322               |
| 25       |                                | 37,102,520         | 36,173,699          |
| 26       |                                |                    |                     |
| 27       | Utility operating margins      | 135,540            | 309,364             |
| 28       | Nonoperating margins, interest | 47,984             | 123,984             |
| 29       | Income from equity investments | 50,722             | 2,399               |
| 30       | Nonoperating margins, other    | (116,105)          |                     |
| 31       | G & T capital credits          | 350,180            | 0                   |
| 32       | Other capital credits          | 91,685             | 89,486              |
| 33       |                                |                    |                     |
| 34       | Net margins                    | \$560,006          | \$609,521           |
| 35       |                                |                    |                     |

| 1<br>2<br>3<br>4 | Shelby Energy Coopera<br>Case No. 2009-0041<br>Balance Sheet<br>July 31, 2009 | 0            | Exhibit V<br>page 2 of 3<br>Witness: Jim Adkins |
|------------------|---|--------------|---|
| 5<br>6<br>7<br>8 | <u>ASSETS</u>   | <u>2009</u>  | <u>2008</u>                                     |
| 9                | Electric Plant:   |              |   |
| 10               | In service  | \$63,478,258 | \$61,545,819                                    |
| 11               | Under construction  | 498,796_     | 195,620   |
| 12               | •   | 63,977,054   | 61,741,439                                      |
| 13               | Less accumulated depreciation   | 11,336,003   | 9,891,183                                       |
| 14               |   | 52,641,051   | 51,850,256                                      |
| 15               |   |              |   |
| 16               | Investments   | 9,030,455    | 8,308,569                                       |
| 17               |   |              |   |
| 18               | Current Assets:   |              |   |
| 19               | Cash and temporary investments  | 2,320,828    | 2,636,109                                       |
| 20               | Accounts receivable, net  | 3,679,731    | 3,322,818                                       |
| 21               | Material and supplies   | 295,332      | 334,660   |
| 22               | Prepayments   | 83,534       | 97,901  |
| 23               |   | 6,379,425    | 6,391,488_                                      |
| 24               |   |              |   |
| 25               | Deferred debits   | 107,695      | 0   |
| 26               |   |              |   |
| 27               | Total Assets  | \$68,158,626 | \$66,550,313                                    |
| 28               |   |              |   |
| 29               | MEMBERS' EQUITIES AND LIABILITIES   |              |   |
| 30               |   |              |   |
| 31               | Margins and Equities:   |              |   |
| 32               | Patronage capital   | \$24,892,866 | \$24,747,684                                    |
| 33               | Other equities  | 563,291      | 429,581   |
| 34               |   | 25,456,157   | 25,177,265                                      |
| 35               |   |              |   |
| 36               | Long Term Debt  | 34,506,968   | 34,585,853                                      |
| 37               |   |              |   |
| 38               | Accumulated Operating Provisions  | 1,895,285    | 1,863,047                                       |
| 39               |   |              |   |
| 40               | Current Liabilities:  |              |   |
| 41               | Accounts payable  | 4,456,074    | 3,086,855                                       |
| 42               | Consumer deposits   | 386,110      | 381,655   |
| 43               | Accrued expenses  | 561,017      | 547,546   |
| 44               |   | 5,403,201    | 4,016,056                                       |
| 45               | Consumer advances   | 897,015      | 908,091   |
| 46               |   |              |   |
| 47               | Total Members' Equities and Liabilities                                       | \$68,158,626 | \$66,550,312                                    |

| 1<br>2<br>3<br>4 | Shelby Energy Coopera<br>Case No. 2009-0041<br>Statement of Cash Flow<br>July 31, 2009 | 0                   | Exhibit V<br>page 3 of 3<br>/itness: Jim Adkins |
|------------------|--|---------------------|---|
| 5<br>6           |  | 2009                | 2008  |
| 7                | Cash Flows from Operating Activities:  |                     |   |
| 8                | Cash Flows from Operating Activities:  Net margins                                     | \$560,006           | \$609,521                                       |
| 9<br>10          | Adjustments to reconcile to net cash provi   | ·                   | ΨΟΟΟ,ΟΖ1  |
| 11               | by operating activities:   | laca                |   |
| 12               | Depreciation   |                     |   |
| 13               | Charged to expense   | 1,829,713           | 1,763,751                                       |
| 14               | Charged to clearing accounts   | 128,983             | 130,724   |
| 15               | Patronage capital credits  | (441,865)           | (89,486)  |
| 16               | Accumulated postretirement benefits  | 32,238              | 44,632  |
| 17               | Net change in current assets and liabilitie  | *                   | ,   |
| 18               | Receivables  | (356,913)           | (28,444)  |
| 19               | Material and supplies  | 39,328              | 114,041   |
| 20               | Prepayments and deferred debits  | (93,328)            | (2,966)   |
| 21               | Accounts payables  | 1,369,219           | 1,368,104                                       |
| 22               | Consumer deposits  | 4,455               | (6,985)   |
| 23               | Accrued expenses   | 13,471              | 6,208   |
| 24               | Consumer advances  | (11,076)            | (18,038)  |
| 25               |  | 3,074,231           | 3,891,062                                       |
| 26               |  |                     |   |
| 27               | Cash Flows from Investing Activities:  |                     |   |
| 28               | Plant additions  | (2,894,710)         | (3,021,082)                                     |
| 29               | Additional investments, net of receipts  | 280,021             | (140,442)                                       |
| 30               |  | (2,614,689)         | (3,161,524)                                     |
| 31               |  |                     |   |
| 32               | Cash Flows from Financing Activities:  |                     |   |
| 33               | Other equities   | (281,114)           | 133,384   |
| 34               | Short term borrowings  | -                   | (5,835)   |
| 35               | Additional long-term borrowings  | 1,000,000           | 2,000,000                                       |
| 36               | Payments on long-term debt   | (1,078,885)         | (1,155,227)                                     |
| 37               | Retirement of capital credits  | (414,824)           | (420,095)                                       |
| 38               |  | (774,823)           | 552,227   |
| 39               |  | (045,004)           | 4 004 705                                       |
| 40               | Net increase in cash   | (315,281)           | 1,281,765                                       |
| 41               |  | 2 626 400           | 1 251 241                                       |
| 42               | Cash balances - beginning  | 2,636,109           | 1,354,344                                       |
| 43               | Coch halancos andina   | \$2,320,828         | \$2,636,109                                     |
| 44               | Cash balances - ending   | <u>ΨΖ, ΌΖΟ, ΌΖΟ</u> | Ψ2,000,100                                      |
| 45               |  |                     |   |

| those of t | he Preceding Year - Balance Sl              | neet                                |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |
|------------|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Acct #     | Description                                 | August<br>Month 1                   | September<br>Month 2                | October<br>Month 3                  | November<br>Month 4                 | December<br>Month 5                 | January<br><u>Month 6</u>           | February<br>Month 7                 | March<br>Month 8                    | April<br><u>Month 9</u>             | May<br>Month 10                     |                                     | July<br>Month 12                    |
| 364        | Poles, towers & fixtures<br>Prior year      | 17,850,143<br>17,084,054<br>766,089 | 17,888,195<br>17,174,438<br>713,757 | 17,947,116<br>17,220,655<br>726,461 | 17,980,347<br>17,281,441<br>698,906 | 18,058,532<br>17,326,982<br>731,550 | 18,102,156<br>17,387,322<br>714,834 | 18,164,365<br>17,508,506<br>655,859 | 18,205,549<br>17,538,741<br>666,808 | 18,233,216<br>17,602,771<br>630,445 | 18,284,170<br>17,674,146<br>610,024 | 18,453,742<br>17,765,585<br>688,157 | 18,496,901<br>17,794,342<br>702,559 |
| 365        | Change Overhead conduct & devic Prior year  | 16,640,430<br>15,847,128            | 16,662,568<br>15,987,398            | 16,695,667<br>16,007,742            | 16,757,386<br>16,040,303            | 16,823,047<br>16,082,700<br>740,347 | 16,842,915<br>16,127,312<br>715,603 | 16,871,589<br>16,353,074<br>518,515 | 16,893,011<br>16,365,249<br>527,762 | 16,920,882<br>16,424,472<br>496,410 |                                     | 16,999,561<br>16,576,627<br>422,934 | 17,024,566<br>16,605,815<br>418,751 |
| 366        | Change Underground conduit                  | 793,302<br>307,519                  | 675,170<br>307,519                  | 687,925<br>307,519                  | 717,083                             | 307,519                             | 307,519                             | 307,519<br>307,519                  | 307,519<br>307,519                  | 307,519<br>307,519                  | 307,519<br>307,519                  | 307,519<br>307,519                  | 307,519<br>307,519                  |
| 300        | Prior year<br>Change                        | 307,519<br>0                        | 307,519<br>0                        | 307,519<br>0                        | 307,519<br>0                        | 307,519<br>0                        | 307,519<br>0                        | 0 0                                 | 0                                   | 0                                   | 0                                   | 3,339,955                           | 0<br>3,339,955                      |
| 367        | Underground cond & device Prior year Change | 3,272,192<br>3,103,184<br>169,008   | 3,274,598<br>3,144,573<br>130,025   | 3,278,732<br>3,143,952<br>134,780   | 3,281,487<br>3,145,545<br>135,942   | 3,304,793<br>3,142,434<br>162,359   | 3,304,793<br>3,142,434<br>162,359   | 3,304,793<br>3,155,770<br>149,023   | 3,307,598<br>3,219,533<br>88,065    | 3,318,281<br>3,242,887<br>75,394    | 3,318,281<br>3,242,895<br>75,386    | 3,250,515<br>89,440                 | 3,266,676<br>73,279                 |
| 368        | Transformers<br>Prior year                  | 8,468,876<br>8,277,206<br>191,670   | 8,503,349<br>8,292,060<br>211,289   | 8,550,679<br>8,357,281<br>193,398   | 8,579,631<br>8,336,907<br>242,724   | 8,609,934<br>8,344,080<br>265,854   | 8,609,860<br>8,363,534<br>246,326   | 8,640,775<br>8,387,752<br>253,023   | 8,654,011<br>8,390,100<br>263,911   | 8,674,777<br>8,428,866<br>245,911   | 8,670,559<br>8,437,804<br>232,755   | 8,706,278<br>8,476,262<br>230,016   | 8,718,269<br>8,421,031<br>297,238   |
| 369        | Change Services Prior year                  | 8,870,178<br>8,470,997              | 8,896,693<br>8,496,024              | 8,938,588<br>8,523,974<br>414,614   | 8,967,797<br>8,576,530<br>391,267   | 8,998,845<br>8,622,685<br>376,160   | 9,011,756<br>8,650,550<br>361,206   | 9,082,160<br>8,676,071<br>406,089   | 9,115,842<br>8,707,284<br>408,558   | 9,141,081<br>8,730,621<br>410,460   | 9,175,208<br>8,765,299<br>409,909   | 9,201,253<br>8,797,476<br>403,777   | 9,242,035<br>8,839,224<br>402,811   |
| 370        | Change Meters Prior year                    | 399,181<br>1,416,254<br>1,363,973   | 400,669<br>1,417,542<br>1,364,683   | 1,421,986<br>1,379,471              | 1,425,268<br>1,385,599              | 1,425,268<br>1,386,755              | 1,430,673<br>1,387,423              | 1,430,673<br>1,385,964              | 1,441,350<br>1,397,922              | 1,440,941<br>1,397,922<br>43,019    | 1,452,116<br>1,401,675<br>50,441    | 1,457,242<br>1,404,766<br>52,476    | 1,458,360<br>1,404,369<br>53,991    |
|            | Change                                      | 52,281                              | 52,859<br>1,581,362                 | 42,515<br>1,587,250                 | 39,669<br>1,588,139                 | 38,513<br>1,599,036                 | 43,250<br>1,599,036                 | 44,709<br>1,602,328                 | 43,428<br>1,607,560                 | 1,625,272                           | 1,631,675                           | 1,630,873                           | 1,642,267                           |
| 371        | Security lights<br>Prior year<br>Change     | 1,570,308<br>1,461,358<br>108,950   | 1,467,752                           | 1,470,618<br>116,632                | 1,480,126                           | 1,497,116<br>101,920                | 1,504,130<br>94,906                 | 1,519,432<br>82,896                 | 1,540,629<br>66,931                 | 1,552,290<br>72,982                 | 1,555,734<br>75,941                 | 66,062                              | 1,564,811<br>77,456                 |
| 373        | Street lights<br>Prior year<br>Change       | 58,916<br>43,498<br>15,418          | 43,498                              | 58,916<br>43,498<br>15,418          | 58,916<br>43,498<br>15,418          | 43,498                              | 58,916<br>43,498<br>15,418          | 58,916<br>55,761<br>3,155           | 58,916<br>55,761<br>3,155           | 58,916<br>58,916<br>0               | 58,916<br>58,916<br>0               | 58,916<br>0                         |                                     |
| 389        | Land<br>Príor year<br>Change                | 22,085<br>22,085<br>0               | 22,085                              | 22,085<br>22,085<br>0               |                                     | 22,085                              | 22,085<br>22,085<br>0               | 22,085<br>22,085<br>0               | 22,085<br>22,085<br>0               | 22,085<br>22,085<br>0               | 22,085<br>22,085<br>0               | 22,085                              |                                     |
| 390        | Structures & improve Prior year Change      | 1,171,415<br>1,171,415              | 1,171,415                           | 1,171,415<br>1,171,415<br>0         | 1,171,415                           | 1,171,415                           | 1,171,415<br>1,171,415<br>0         | 1,171,415<br>1,171,415<br>0         |                                     | 1,171,415<br>1,171,415<br>0         | 1,171,415<br>1,171,415<br>0         | 1,171,415                           | 1,171,415<br>0                      |
| 391        | Office furniture Prior year Change          | 260,499<br>260,499                  | 260,499                             | 265,704<br>260,499<br>5,205         | 260,499                             | 260,499                             | 260,499                             |                                     | 260,499                             | 299,009<br>260,499<br>38,510        | 299,009<br>260,499<br>38,510        | 260,499                             | 260,499                             |
| 392        | Transportation Prior year Change            | 1,422,933<br>1,330,475<br>92,458    | 1,422,933<br>1,264,744              | 1,422,933<br>1,134,637<br>288,296   | 1,134,637                           | 1,134,637                           | 1,134,637                           | 1,134,637                           | 1,134,637                           | 1,199,371<br>1,181,530<br>17,841    | 1,197,709<br>1,181,530<br>16,179    | 1,291,656                           | 1,417,398                           |

| Acct#          | Description  | August<br>Month 1 | September<br>Month 2 | October<br>Month 3 | November<br>Month 4      | December<br>Month 5 | January<br>Month 6 | February<br>Month 7 | March<br>Month 8 | April<br><u>Month 9</u> | May<br>Month 10 | June<br>Month 11 | July<br>Month 12       |
|----------------|--|-------------------|----------------------|--------------------|--------------------------|---------------------|--------------------|---------------------|------------------|-------------------------|-----------------|------------------|------------------------|
| <u> Avylir</u> | & STATIFICATION OF THE PARTY OF |                   |                      | 5.001              | 5.021                    | 5.021               | 5,021              | 5,021               | 5,021            | 5,021                   | 5,021           | 5,021            | 5,021                  |
| 393            | Stores   | 5,021             | 5,021                | 5,021              | 5,021<br>5,021           | 5,021               | 5,021              | 5,021               | 5,021            | 5,021                   | 5,021           | 5,021            | 5,021                  |
|                | Prior year   | 5,021             | 5,021                | 5,021              | 3,021                    | 0,021               | 0,021              | 0                   | 0                | 0                       | 0               | 0                | 0                      |
|                | Change   | 0                 | 0                    | 0                  | U                        | U                   | v                  | •                   |                  |                         |                 |                  |                        |
|                |  |                   |                      | 10 422             | 18,422                   | 18,422              | 18,422             | 18,422              | 18,422           | 18,422                  | 18,422          | 18,422           | 18,422                 |
| 394            | Tools, shop & garage   | 18,422            | 18,422               | 18,422             | 18,422                   | 18,422              | 18,422             | 18,422              | 18,422           | 18,422                  | 18,422          | 18,422           | 18,422                 |
|                | Prior year   | 18,422            | 18,422               | 18,422             | 10,422                   | 0                   | 0                  | 0                   | 0                | 0                       | 0               | 0                | 0                      |
|                | Change   | 0                 | 0                    | 0                  | v                        | v                   | · ·                | -                   |                  |                         |                 |                  |                        |
|                |  | 02.107            | 83,197               | 83,197             | 83,197                   | 83,197              | 83,197             | 83,197              | 83,197           | 83,197                  | 83,197          | 83,197           | 83,197                 |
| 395            | Laboratory   | 83,197            | 78,198               | 78,198             | 78,198                   | 78,198              | 78,198             | 78,198              | 78,198           | 81,084                  | 81,084          | 81,084           | 81,084                 |
|                | Prior year   | 78,198<br>4,999   | 4,999                | 4,999              | 4,999                    | 4,999               | 4,999              | 4,999               | 4,999            | 2,113                   | 2,113           | 2,113            | 2,113                  |
|                | Change   | 4,999             | 4,999                | 4,555              | .,                       | .,.                 |                    |                     |                  |                         |                 | 126 625          | 126 625                |
|                | B  | 94,141            | 94,141               | 94,141             | 94,141                   | 94,141              | 124,465            | 123,503             | 123,503          | 136,635                 | 136,635         | 136,635          | 136,635                |
| 396            | Power operated   | 94,141            | 94,141               | 94,141             | 94,141                   | 94,141              | 94,141             | 94,141              | 94,141           | 94,141                  | 94,141          | 94,141           | 94,141<br>42,494       |
|                | Prior year<br>Change   | 0                 | 0                    | 0                  | 0                        | 0                   | 30,324             | 29,362              | 29,362           | 42,494                  | 42,494          | 42,494           | 42,434                 |
|                | Change   | ŭ                 |                      |                    |                          |                     |                    |                     | 100 265          | 100 365                 | 182,365         | 187,783          | 193,201                |
| 397            | Communication  | 182,365           | 182,365              | 182,365            | 182,365                  | 182,365             | 182,365            | 182,365             | 182,365          | 182,365                 | 182,365         | 182,365          | 182,365                |
| 391            | Prior year   | 182,365           | 182,365              | 182,365            | 182,365                  | 182,365             | 182,365            | 182,365             | 182,365<br>0     | 182,365<br>0            | 0               | 5,418            | 10,836                 |
|                | Change   | 0                 | 0                    | 0                  | 0                        | 0                   | 0                  | 0                   | U                | U                       | U               | 3,410            | 10,050                 |
|                |  |                   |                      |                    |                          |                     | 20.687             | 30,687              | 30,687           | 30,687                  | 30,687          | 30,687           | 30,687                 |
| 398            | Miscellaneous  | 30,687            | 30,687               | 30,687             | 30,687                   | 30,687              | 30,687             | 30,687              | 30,687           | 30,687                  | 30,687          | 30,687           | 30,687                 |
|                | Prior year   | 30,687            | 30,687               | 30,687             | 30,687                   | 30,687              | 30,687<br>0        | 30,087<br>0         | 0                | 0                       | 0               | 0                | 0                      |
|                | Change   | 0                 | 0                    | 0                  | 0                        | 0                   | U                  | U                   | Ū                | v                       |                 |                  |                        |
|                | _  |                   |                      | (0.000.402         | (2.242.629               | 62,257,438          | 62,396,874         | 62,565,368          | 62,695,385       | 62,869,092              | 62,995,045      | 63,307,302       | 63,478,259             |
| ****           | Total Electric Plant in Serv   | 61,745,581        | 61,881,507           | 62,082,423         | 62,242,628<br>59,594,938 | 59,751,239          | 59,911,192         | 60,347,319          | 60,520,208       | 60,793,513              | 60,996,410      | 61,359,852       |                        |
|                | Prior year   | 59,152,225        | 59,405,522           | 59,452,180         | 2,647,690                | 2,506,199           | 2,485,682          | 2,218,049           | 2,175,177        | 2,075,579               | 1,998,635       | 1,947,450        | 1,932,439              |
|                | Change   | 2,593,356         | 2,475,985            | 2,630,243          | 2,047,020                | 2,500,155           | 2,,                |                     |                  |                         |                 |                  |                        |
|                |  | 205,221           | 294,021              | 320,320            | 385,467                  | 280,252             | 426,307            | 429,016             | 561,734          | 491,500                 | 523,376         | 470,867          | 498,796                |
| ****           | Total CWIP   | 419,288           | 298,493              | 445,078            | 448,572                  | 452,320             | 540,513            | 292,560             | 284,822          | 297,473                 | 290,885         | 221,450          | 195,620                |
|                | Prior year   | (214,067)         |                      | (124,758)          | (63,105)                 |                     | (114,206)          | 136,456             | 276,912          | 194,027                 | 232,491         | 249,417          | 303,176                |
|                | Change   | (214,007)         | (4,472)              | (121,,50)          | (,,                      | . ,                 | •                  |                     |                  |                         |                 | 0.561.531        | 9.689.799              |
| 100.6          | Bas distribution plant   | 8,444,322         | 8,578,403            | 8,694,060          | 8,821,077                | 8,921,038           | 9,052,649          | 9,171,370           | 9,289,867        | 9,364,283               | 9,471,744       | 9,561,531        | 9,689,799<br>8,329,844 |
| 108.6          | Res - distribution plant   | 7,565,091         | 7,594,451            | 7,665,683          | 7,681,753                | 7,784,798           | 7,889,939          | 7,914,878           | 8,022,479        | 8,114,894               | 8,226,136       | 8,315,565        | 1,359,955              |
|                | Prior year<br>Change   | 879,231           | 983,952              | 1,028,377          | 1,139,324                | 1,136,240           | 1,162,710          | 1,256,492           | 1,267,388        | 1,249,389               | 1,245,608       | 1,245,966        | 1,339,933              |
|                | Change   |                   | ·                    |                    |                          |                     |                    |                     |                  | 1,619,982               | 1,637,556       | 1,655,130        | 1,678,563              |
| 108.70         | Res - general plant  | 1,591,386         | 1,610,527            | 1,629,694          | 1,648,862                | 1,549,243           | 1,595,508          | 1,585,137           | 1,602,408        |                         | 1,535,186       | 1,553,130        | 1,572,245              |
| 100.70         | Prior year   | 1,580,360         | 1,531,388            | 1,418,040          | 1,434,799                | 1,451,558           | 1,468,316          | 1,485,015           | 1,501,330        | 1,518,258<br>101,724    | 102,370         | 102,018          | 106,318                |
|                | Change   | 11,026            | 79,139               | 211,654            | 214,063                  | 97,685              | 127,192            | 100,122             | 101,078          | 101,724                 | 102,370         | 102,010          | 100,510                |
|                | Chango   |                   |                      |                    |                          |                     | 22 712             | 33,308              | 48,517           | 34,741                  | 33,749          | 24,248           | 32,359                 |
| 108.80         | RWIP - force account   | 8,325             |                      | 18,929             | 26,737                   | 11,888              | 23,543             | 17,384              | 25,457           | 25,340                  | 29,291          | 19,950           | 10,906                 |
|                | Prior year   | 22,955            |                      | 30,829             | 20,301                   | 26,254              | 31,457             | 15,924              | 23,060           | 9,401                   | 4,458           | 4,298            | 21,453                 |
|                | Change   | (14,630)          | ) (13,233)           | (11,900)           | 6,436                    | (14,366)            | (7,914)            | 13,924              | 25,000           | ,,                      | .,              | ·                |                        |
|                | _  |                   |                      | 10 204 225         | 10,443,202               | 10,458,393          | 10,624,614         | 10,723,199          | 10,843,758       | 10,949,524              | 11,075,551      | 11,192,413       | 11,336,003             |
| ****           | Total Reserve for Deprecia   | 10,027,383        | 10,168,906           | 10,304,825         | 9,096,251                | 9,210,102           | 9,326,798          | 9,382,509           | 9,498,352        | 9,607,812               | 9,732,031       | 9,848,727        | 9,891,183              |
|                | Prior year   | 9,122,496         |                      | 9,052,894          | 1,346,951                | 1,248,291           | 1,297,816          | 1,340,690           | 1,345,406        | 1,341,712               | 1,343,520       | 1,343,686        | 1,444,820              |
|                | Change   | 904,887           | 1,076,324            | 1,251,931          | 1,540,731                | 1,270,271           | 1,201,010          |                     | , ,              |                         |                 |                  |                        |
|                |  | 775,824           | 775,824              | 775,824            | 775,824                  | 826,036             | 826,036            | 826,036             | 826,036          | 826,036                 | 826,036         |                  |                        |
| 123.91         | Invest in subsidiary   | 774,086           |                      | 774,086            | 774,086                  |                     | 775,824            | 775,824             | 775,824          | 775,824                 | 775,824         |                  |                        |
|                | Prior year   | 1,738             | ,                    | 1,738              | 1,738                    | ·                   | 50,212             | 50,212              | 50,212           | 50,212                  | 50,212          | 50,212           | 50,212                 |
|                | Change   | 1,750             | 1,750                | 1,120              | ,                        |                     |                    |                     |                  |                         |                 |                  |                        |

| 11030 01 | e Preceding Year - Balance Sh | August                    | September   | October                                 |           | December<br>Month 5 | January<br>Month 6 | February<br>Month 7 | March<br>Month 8 | April<br>Month 9 | Month 10  |             | Month 12     |
|----------|-------------------------------|---------------------------|-------------|---|-----------|---------------------|--------------------|---------------------|------------------|------------------|-----------|-------------|--------------|
|          | Desamption                    | Month 1                   | Month 2     | Month 3                                 | Month 4   | Monus               | _                  |                     | 6,371,937        | 6,371,937        | 6,371,937 | 6,371,937   | 6,371,937    |
| Acct#    | Description                   |                           |             | 6 001 767                               | 6,021,757 | 6,371,937           | 6,371,937          | 6,371,937           | 6,021,757        | 6,021,757        | 6,021,757 | 6,021,757   | 6,021,757    |
|          | T EVPC                        | 6,021,757                 | 6,021,757   | 6,021,757                               | 6,021,757 | 6,021,757           | 6,021,757          | 6,021,757           | 350,180          | 350,180          | 350,180   | 350,180     | 350,180      |
| 3.1      | Invest in EKPC                | 6,021,757                 | 6,021,757   | 6,021,757                               | 0,021,757 | 350,180             | 350,180            | 350,180             | 330,100          |                  |           |             | 20 707       |
|          | Prior year                    | 0                         | 0           | U                                       | U         |                     |                    |                     | 38,787           | 38,787           | 38,787    | 38,787      | 38,787       |
|          | Change                        |                           |             |   | 38,787    | 38,787              | 38,787             | 38,787              | 37,374           | 37,374           | 37,374    | 37,374      | 37,374       |
|          | - VAEC                        | 37,374                    | 38,787      | 38,787                                  | 37,374    | 37,374              | 37,374             | 37,374              | 1,413            | 1,413            | 1,413     | 1,413       | 1,413        |
| 23.20    | Invest in KAEC                | 35,455                    | 37,374      | 37,374                                  | 1,413     | 1,413               | 1,413              | 1,413               | 1,415            | .,               |           |             | 200.012      |
|          | Prior year                    | 1,919                     | 1,413       | 1,413                                   | 1,415     | -,                  |                    |                     | 328,813          | 328,813          | 328,813   | 328,813     | 328,813      |
|          | Change                        | ·                         |             | 202 212                                 | 328,813   | 328,813             | 328,813            | 328,813             | 303,205          | 303,205          | 303,205   | 303,205     | 303,205      |
|          | I. ITIC                       | 303,205                   | 328,813     | 328,813                                 | 303,205   | 303,205             | 303,205            | 303,205             | 25,608           | 25,608           | 25,608    | 25,608      | 25,608       |
| 23.30    | Invest in UUS                 | 287,167                   | 303,205     | 303,205                                 | 25,608    | 25,608              | 25,608             | 25,608              | 23,000           | 23,000           |           |             |              |
|          | Prior year                    | 16,038                    | 25,608      | 25,608                                  | 25,000    |                     |                    |                     | 1.40.722         | 149,722          | 149,722   | 149,722     | 149,722      |
|          | Change                        | ,                         |             |   | 100 005   | 149,722             | 149,722            | 149,722             | 149,722          | 151,680          | 151,680   | 151,680     | 151,680      |
|          |                               | 151,680                   | 151,680     | 120,225                                 | 120,225   | 151,680             | 151,680            | 151,680             | 151,680          | (1,958)          | (1,958)   | (1,958)     | (1,958)      |
| 23.40    | Invest in CFC                 | 152,944                   | 151,680     | 151,680                                 | 151,680   | (1,958)             | (1,958)            | (1,958)             | (1,958)          | (1,550)          | (-,/      |             |              |
|          | Prior year                    | (1,264)                   | Δ.          | (31,455)                                | (31,455)  | (1,550)             |                    |                     |                  | 5,828            | 5,828     | 5,828       | 5,828        |
|          | Change                        | (1,201)                   | •           |   |           | 5,828               | 5,828              | 5,828               | 5,828            |                  | 2,963     | 2,963       | 2,963        |
|          | _                             | 2,963                     | 5,408       | 5,408                                   | 5,408     | 2,963               | 2,963              | 2,963               | 2,963            | 2,963            | 2,865     | - 0         | 2,865        |
| 123.42   | Invest in CRC                 | 2,705                     | 2,963       | 2,963                                   | 2,963     | 2,865               | 2,865              | 2,865               | 2,865            | 2,865            | 2,000     | ,           |              |
|          | Prior year                    | 2,963                     | - 115       | 2,445                                   | 2,445     | 2,803               | 2,000              |                     |                  | C4 016           | 64,816    | 64,816      | 64,816       |
|          | Change                        | 2,903                     | -1          |   |           | 52,744              | 52,744             | 64,816              | 64,816           | 64,816           | 52,744    |             | 52,744       |
|          |                               | 52,744                    | 52,744      | 52,744                                  | 52,744    | 52,744<br>42,978    | 42,978             | 52,824              | 52,824           | 52,744           | 12,072    | 0           | 12,072       |
| 123.60   | Invest in SEDC                | 42,978                    |             | 44,258                                  | 42,978    | 2000                | 9,766              | 11,992              | 11,992           | 12,072           | 12,072    | ,,          |              |
|          | Prior year                    | 9,766                     | 0.406       | 8,486                                   | 9,766     | 9,766               | ,,,,,,             |                     |                  | CAR 207          | 648,807   | 648,807     | 648,807      |
|          | Change                        | 9,700                     | , -,        |   |           | (50.222             | 650,222            | 650,222             | 648,807          | 648,807          |           |             | 650,222      |
|          |                               | 650,222                   | 650,222     | 650,222                                 | 650,222   |                     |                    | 651,548             |                  | 650,222          |           |             |              |
| 123.22   | Invest in CFC CTC's           | 651,548                   |             |   | 651,548   |                     | (1.226)            | /+ 22/              | (1,415)          | (1,415           | ) (1,11.  | , (-,       |              |
|          | Prior year                    |                           |             |   | (1,326    | (1,326              | (1,520)            | ,                   |                  | 0.700            | 8,70      | 0 8,700     | 8,700        |
|          | Change                        | (1,326                    | 0) (1,520   | ,                                       |           | 9.700               | 8,700              | 8,700               | 8,700            | 8,700            | ·         | ·           |              |
|          |                               | 8,70                      | 0 8,700     | 8,700                                   |           |                     | , ,,,,,,           |                     | 8,700            | 8,700            |           |             | 0 0          |
| 123.23   | Invest in assoc organs        | 8,70                      |             |   | 3 8,700   |                     | ,                  |                     | , 0              | (                | 3         | · ·         |              |
|          | Prior year                    |                           | 0           |   | 0 (       | ) (                 | , .                |                     |                  |                  | 25,00     | 0 25.00     | 0 25,000     |
|          | Change                        |                           | U .         | •                                       |           |                     | 25.000             | 25.000              | 25,000           |                  | ·         |             |              |
|          |                               | 25.00                     | 25,000      | 25,00                                   | 0 25,000  |                     |                    |                     | 25,000           |                  |           |             | 0 0          |
| 123.24   | Invest in Envision Energy     | 25,00                     | 25.00       |   | 0 25,000  |                     | •                  | •                   |                  | '                | 0         | v           |              |
|          | Prior year                    | 25,00                     |             | 0                                       | 0         | 0                   | 0                  | ,                   |                  |                  | 0 20,00   | 00 20,00    | 0 20,000     |
|          | Change                        |                           | U           |   |           |                     | n 20.00            | 20,00               | 0 20,000         | 20,00            |           | , -         |              |
|          | -                             | <b>~</b> 0.00             | 20,00       | 0 20,00                                 | 00,00     | 0 20,00             |                    |                     |                  | 20,00            |           |             | o c          |
| 123.25   | Invest in CRC capital         | 20,00                     |             |   | 00,00     |                     |                    |                     | 0 (              | )                | 0         | U           | •            |
| (22.20   | Prior year                    | 20,00                     |             |   | 0         | 0                   | 0                  | ·                   |                  |                  | 0, 161,0  | 00 156,00   | 00 451,000   |
|          | Change                        |                           | 0           |   |           |                     | 179,00             | 0 176,00            | 0 171,000        | 166,00           | 0,101     | 00 150,0    | 197,000      |
|          |                               |                           | 00 191,00   | 00 191,00                               | 00 185,00 | 00, 182,00          | )() 179,00         | 0 1,515             |                  |                  | 161.0     | 00 156,0    |              |
| 123.9    | Invest in Rural Developr      | ne 197,0                  | 00 191,00   | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, |           |                     | nn 179,00          | 0 176,00            | 171,00           | 0 166,00         | 0,0 161,0 | 00 150,0    | 22 11        |
| 123.7    | Prior year                    |                           | 000 191,00  | 00 191,0                                | 00 185,00 | 00 182,00           | 00 179,00          | 175,5               |                  |                  | 0.1.7     | 56 91,0     | 08 91,00     |
|          | Change                        | 197,0                     | 191,00      | JU 17-1-                                |           |                     | (0.10              | 00 62,10            | 00 62,10         | 0 84,6           |           |             |              |
|          | J                             |                           | 100 62,10   | 00 62,1                                 | 00 62,10  |                     |                    |                     | , ,              | 0 62,1           |           |             |              |
| 124      | Other investments             | 62,1                      |             |   |           | 68 50,3             |                    |                     |                  | 0 22,5           | 56 22,5   | 20,2        | 20,70        |
| 124      | Prior year                    | 50,3                      |             |   |           |                     | 32 6,72            | 41 0,7.             |                  |                  |           | 102 8,735,4 | 154 9,030,45 |
|          | Change                        | 11,7                      | 732 11,7    | 32 11,1                                 |           |                     |                    | 89 8,727,9          | 61 8,721,54      | 16 8,739,1       |           |             |              |
|          | Change                        |                           | 569 8,332,0 | 35 8.300.5                              | 8,294,5   | 8,721,8             |                    |                     |                  | 19 8,111,5       | 69 8,111, |             | ,            |
|          |                               | 0.000                     | rco 933711  | 13) 0,300,3                             |           |                     | 97 8,096,4         | UA 0,100,4          |                  |                  | 33 622,   | 711 DZJ.    | ,0,1,0       |
| ++++     | Total Investments             | 8,308,                    | ,,,,,,,     |   | 3,989,6   | 5,190,8             |                    |                     | 07 609.89        | 97 627,5         | 022,      |             |              |
| ***      | Total Investments Prior year  | 8,308,3<br>8,070,<br>238, | 003 8,090,9 | 39 8,090,9                              | 2010      |                     |                    |                     | 07 609,89        | 97 627,3         | )         |             |              |

|          | e Preceding Year - Balance Sh | August<br>Month 1    | September Month 2                       | October<br>Month 3 | November<br>Month 4 | December<br>Month 5 | January<br>Month 6 | February<br>Month 7   | March<br>Month 8 | April<br><u>Month 9</u> | May<br>Month 10 | June<br>Month 11 | July<br>Month 12 |
|----------|-------------------------------|----------------------|---|--------------------|---------------------|---------------------|--------------------|-----------------------|------------------|-------------------------|-----------------|------------------|------------------|
| Acct#    | Description                   | MOITH I              |   |                    |                     | 487,375             | 1,390,459          | 813,623               | 908,012          | 589,691                 | 827,429         | 1,054,843        | 1,196,036        |
| 31.1     | Cash - General                | 1,067,261            | 788,483                                 | 783,423            | 1,037,461           | 549,530             | 903,439            | 544,002               | 378,808          | 739,016                 | 855,580         | 1,085,802        | 725,968          |
| J        | Prior year                    | 1,117,228            | 1,181,478                               | 706,993            | 469,510             | (62,155)            | 487,020            | 269,621               | 529,204          | (149,325)               | (28,151)        | (30,959)         | 470,068          |
|          | Change                        | (49,967)             | (392,995)                               | 76,430             | 567,951             | (02,133)            | 101,025            | ·                     |                  |                         |                 | 440 500          | 158,839          |
|          |                               |                      |   | 44.4.402           | 421,486             | 425,093             | 428,535            | 431,937               | 437,387          | 442,777                 | 448,147         | 448,507          | 406,316          |
| 31.13    | Cash - Econ Dev Coop Fur      | 407,237              | 414,016                                 | 414,792            | 591,864             | 593,636             | 595,274            | 596,811               | 598,286          | 599,527                 | 600,800         | 602,035          | (247,477)        |
| 131.13   | Prior year                    | 586,365              | 588,172                                 | 590,046            | (170,378)           | (168,543)           | (166,739)          | (164,874)             | (160,899)        | (156,750)               | (152,653)       | (153,528)        | (247,477)        |
|          | Change                        | (179,128)            | (174,156)                               | (175,254)          | (170,376)           | (100,515)           | (,,                | •                     |                  |                         | 107 210         | 63,095           | 25,773           |
|          |                               |                      |   | 78,395             | 46,883              | 81,418              | 205,534            | 214,199               | 75,845           | 81,979                  | 107,318         | 71,356           | 27,452           |
| 131.30   | Cash - Bedford                | 69,422               | 21,431                                  | 19,912             | 55,194              | 71,611              | 45,804             | 109,848               | 117,897          | 34,447                  | 48,363          |                  | (1,679)          |
|          | Prior year                    | 56,267               | 67,080                                  |                    | (8,311)             | 9,807               | 159,730            | 104,351               | (42,052)         | 47,532                  | 58,955          | (8,261)          | (1,079)          |
|          | Change                        | 13,155               | (45,649)                                | 58,483             | (0,511)             | 3,440               | ,                  |                       |                  |                         | 5 0 1 D         | 2,696            | 4,592            |
|          | -                             |                      | #.co                                    | 3,163              | (259,063)           | 8,154               | 5,339              | 3,982                 | 2,428            | 2,358                   | 5,818           | 9,011            | 8,311            |
| 131.60   | Cash - Capital credit         | 5,469                | 763                                     | 3,163<br>45,496    | (200,549)           | 25,287              | 25,149             | 23,279                | 20,306           | 17,240                  | 12,240          |                  | (3,719)          |
|          | Prior year                    | 37,234               | 36,059                                  |                    | (58,514)            | (17,133)            | (19,810)           | (19,297)              | (17,878)         | (14,882)                | (6,422)         | (6,315)          | (5,717)          |
|          | Change                        | (31,765)             | (35,296)                                | (42,333)           | (30,314)            | (11,100)            |                    |                       |                  |                         | 4.550           | 4,550            | 4,550            |
|          | _                             |                      | 5.050                                   | 5,050              | 4,550               | 4,550               | 5,050              | 5,050                 | 5,050            | 5,050                   | 4,550           | 4,500            | 4,500            |
| 135.00   | Working funds                 | 4,550                | 5,050                                   | 4,500              | 4,500               | 4,500               | 4,500              | 4,500                 | 4,500            | 4,500                   | 4,500<br>50     | 50               | 50               |
|          | Prior year                    | 4,500                | 4,500                                   | 550                | 50                  | 50                  | 550                | 550                   | 550              | 550                     | 30              | 50               | 50               |
|          | Change                        | 50                   | 550                                     | 330                | 30                  |                     |                    |                       |                  | 125                     | 425             | 425              | 425              |
|          |                               | 40.5                 | 425                                     | 425                | 425                 | 425                 | 425                | 425                   | 425              | 425<br>425              | 425             | 425              | 425              |
| 134      | Special deposits              | 425                  | 425                                     | 425                | 425                 | 425                 | 425                | 425                   | 425              | 423                     | 0               | 0                | 0                |
|          | Prior year                    | 425<br>0             | 423                                     | 0                  | 0                   | 0                   | 0                  | 0                     | 0                | U                       | · ·             | Ü                |                  |
|          | Change                        | U                    | U                                       | •                  |                     |                     |                    |                       | . 100 117        | 1,122,280               | 1,393,687       | 1,574,116        | 1,390,215        |
|          |                               | 1,554,364            | 1,230,168                               | 1,285,248          | 1,251,742           | 1,007,015           | 2,035,342          | 1,469,216             | 1,429,147        | 1,395,155               | 1,521,908       | 1,773,129        | 1,172,972        |
| ****     | Total Cash                    | 1,802,019            | 1,877,714                               | 1,367,372          | 920,944             | 1,244,989           | 1,574,591          | 1,278,865             | 1,120,222        | (272,875)               | (128,221)       |                  | 217,243          |
|          | Prior year                    | (247,655)            |   | (82,124)           | 330,798             | (237,974)           | 460,751            | 190,351               | 308,925          | (212,013)               | (120,221)       | (,               |                  |
|          | Change                        | (247,033)            | (017,510)                               | <b>V</b> ,         |                     |                     |                    |                       | 9,011            | 825,000                 | 5,459           | 6,180            | 930,613          |
|          |                               | 478,066              | 544,928                                 | 474,750            | 29,058              | 1,015,172           | 10,173             | 15,808                | 976,900          | 1,296,480               | 1,414,879       | 1,052,579        | 1,463,088        |
| **** 136 | .1 Temporary investments      | 2,112,781            | 1,253,966                               | 1,496,885          | 648,086             | 262,275             | 193,424            | 30,687                | (967,889)        | (471,480)               |                 | (1,046,399)      | (532,475)        |
|          | Prior year                    | (1,634,715           |   | (1,022,135)        | (619,028)           | 752,897             | (183,251)          | (14,879)              | (907,009)        | (471,100)               | (-1             |                  |                  |
|          | Change                        | (1,740,1)            | , (,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, |                    |                     |                     | 100                | 4 107 777             | 3,375,098        | 3,382,962               | 3,454,557       | 3,503,359        | 3,459,957        |
|          |                               | 3,518,749            | 3,451,773                               | 2,714,208          | 3,726,515           | 4,239,440           | 5,097,129          | 4,186,772             | 4,680,148        | 3,689,479               | 3,273,455       |                  |                  |
| 142.1    | Accounts receivable           | 3,424,016            | ., .                                    | 2,522,392          | 4,124,078           | 4,486,306           | 4,816,118          | 4,838,776             |                  |                         |                 |                  | (74,892)         |
|          | Prior year                    | 94,733               |   | 191,816            | (397,563)           | (246,866)           | 281,011            | (652,004)             | (1,00,000)       | (500(211)               |                 |                  |                  |
|          | Change                        | 71,755               |   |                    |                     |                     | (05.005)           | (26,678)              | (30,910)         | (30,627)                | (26,204         | ) (7,468         | ) 10,130         |
|          | Allowance - Residential an    | (18,838              | (18,940)                                | (18,569)           |                     |                     | (25,885)           |                       | *                |                         |                 | ) (36,860        | (23,401)         |
| 144.10   |                               | (29,983              | ·                                       | (34,541)           | (46,978)            |                     | (44,665)           | (47,311)<br>20,633    | 18,286           | 19,003                  | 23,368          | 29,392           | 33,531           |
|          | Prior year                    | 11,145               |   | 15,972             | 20,808              | 20,357              | 18,780             | 20,033                | 10,200           | ,                       |                 |                  |                  |
|          | Change                        | ,-                   |   |                    |                     |                     | (265 575)          | (365,575)             | (365,575)        | (365,575                | (342,541        | ) (342,541       |                  |
|          | Allowance - Large Power       | (365,575             | (365,575)                               | (365,575)          |                     |                     | (365,575)          |                       |                  |                         |                 | (365,575         |                  |
| 144.11   |                               | (365,575             | , ·                                     |                    | ) (365,575)         |                     | (365,575)          | (202,202)             |                  | 0                       |                 |                  | 23,034           |
|          | Prior year<br>Change          | (222,                |   |                    | 0                   | 0                   | 0                  | V                     | •                |                         |                 |                  |                  |
|          | Change                        |                      |   |                    |                     | 252 412             | 402,626            | 192,202               | 210,286          | 1,033,339               | 1,053,972       |                  |                  |
| 1.42     | AR - other                    | 171,938              | 195,872                                 |                    |                     |                     | 40,881             | 34,642                | ·                | 68,714                  |                 |                  |                  |
| 143      | Prior year                    | 167,793              |   | 167,902            |                     |                     | 361,745            | 157,560               |                  | 964,625                 | 958,753         | 955,299          | 375,240          |
|          | Change                        | 4,14                 | 5 43,074                                | 50,414             | 61,459              | 164,556             | 301,143            | 157,500               | - ,              |                         |                 |                  |                  |
|          | Change                        | ,-                   |   |                    |                     | 4 205 407           | 5,108,295          | 3,986,721             | 3,188,899        | 4,020,099               | 4,139,784       |                  |                  |
|          |                               |                      |   |                    |                     |                     |                    |                       |                  |                         |                 |                  |                  |
| ****     | Total Recievables             | 3,306,27             | 4 3,263,130                             |                    |                     |                     |                    |                       |                  | 3,342,988               |                 |                  |                  |
| ****     | Total Recievables Prior year  | 3,306,27<br>3,196,25 |   | 2,290,178          | 3,898,119           | 4,267,360           | 4,446,759          | 4,460,532<br>(473,811 | 4,313,082        |                         |                 |                  |                  |

Shelby Energy Cooperative Comparison of Test Year Account Balances with those of the Preceding Year - Balance Sheet

|        | e Preceding Year - Balance S   |           | September    | 0 *****     | November     | December<br>Month 5 |              | February<br>Month 7 | March<br>Month 8 | Month 9     | Month 10 A  |              | Ionth 12           |
|--------|--|-----------|--------------|-------------|--------------|---------------------|--------------|---------------------|------------------|-------------|-------------|--------------|--------------------|
| A+ #   | Description  | Month I   | Month 2      | Month 3     | Month 4      |                     |              | 354,375             | 303,678          | 309,693     | 261,088     | 279,052      | 294,181<br>333,509 |
| Acct#  | base of the same o |           | 246 270      | 316,349     | 302,770      | 288,335             | 301,823      | 338,858             | 362,983          | 317,668     | 346,617     | 338,936      | (39,328)           |
| 54     | Material & supplies  | 332,463   | 346,379      | 420,236     | 415,985      | 406,034             | 421,693      | 15,517              | (59,305)         | (7,975)     | (85,529)    | (59,884)     | (37,320)           |
| 14     | Prior year   | 473,789   | 478,619      | (103,887)   | (113,215)    | (117,699)           | (119,870)    | 17,711              | (0), )           |             |             | 1 151        | 1,151              |
|        | Change   | (141,326) | (132,240)    | (105,007)   | (**** /      |                     |              | 1,151               | 1,151            | 1,151       | 1,151       | 1,151        | 1,151              |
|        | Change   |           |              | 1,151       | 1,151        | 1,151               | 1,151        |                     | 1,151            | 1,151       | 1,151       | 1,151        | 1,151              |
|        | Merchandise  | 1,151     | 1,151        | 1,151       | 1,151        | 1,151               | 1,151        | 1,151               | 0                | 0           | 0           | 0            | U                  |
| 55.1   |  | 1,151     | 1,151        | 1,131       | 0            | 0                   | 0            | 0                   | Ū                |             |             |              | 205 222            |
|        | Prior year   | 0         | 0            | U           | v            |                     |              |                     | 304,829          | 310,844     | 262,239     | 280,203      | 295,332            |
|        | Change   |           |              | 217 500     | 303,921      | 289,486             | 302,974      | 355,526             | 364,134          | 318,819     | 347,768     | 340,087      | 334,660            |
|        | Total Material & Supplies  | 333,614   | 347,530      | 317,500     | 417,136      | 407,185             | 422,844      | 340,009             |                  | (7,975)     | (85,529)    | (59,884)     | (39,328)           |
| ***    |  | 474,940   | 479,770      | 421,387     |              | (117,699)           | (119,870)    | 15,517              | (59,305)         | (1,5.5)     | •           |              |                    |
|        | Prior year   | (141,326) | (132,240)    | (103,887)   | (113,215)    | (111,000)           | ,            |                     | 20.160           | 68,873      | 57,586      | 46,299       | 20,288             |
|        | Change   | (2:24)    | •            |             | 62.053       | 55,361              | 106,964      | 95,677              | 80,160           | 68,430      | 57,738      | 47,047       | 36,355             |
|        |  | 13,147    | 5,585        | 70,545      | 62,953       | 55,093              | 103,683      | 89,813              | 79,121           | 443         | (152)       | (748)        | (16,067)           |
| 65.1   | Prepaid insurance  | 16,604    | 8,368        | 72,074      | 63,584       | 268                 | 3,281        | 5,864               | 1,039            | 443         | (1)         | , ,          |                    |
|        | Prior year   | (3,457)   | (2,783)      | (1,529)     | (631)        | 206                 | 2,20.        | •                   |                  | 2 . 020     | 30,139      | 25.349       | 20,559             |
|        | Change   | (3,437)   | (21,00)      | •           |              | 054                 | 49,299       | 44,509              | 39,719           | 34,929      | 30,206      | 25,408       | 20,610             |
|        |  |           | 11,013       | 6,215       | 21,762       | 16,954              | 49,399       | 44,601              | 39,803           | 35,005      |             | (59)         | (51)               |
| 165.2  | Prepaid dues assoc organ   | 15,812    | 10,807       | 6,080       | 21,637       | 16,907              | (100)        | (92)                | (84)             | (76)        | (67)        | (37)         | ` '                |
| 103.2  | Prior year   | 15,534    | 206          | 135         | 125          | 47                  | (100)        | (32)                | •                |             |             | 31,573       | 33,251             |
|        | Change   | 278       | 200          | 100         |              |                     | -0.051       | 33,199              | 27,982           | 28,257      | 32,562      |              | 31,548             |
|        | Change   |           | 20 585       | 34,994      | 27,420       | 21,760              | 30,851       | 29,502              | 33,403           | 35,290      | 32,928      | 34,009       | 1,703              |
|        | Prepaid sales tax  | 30,013    | 30,585       | 30,727      | 25,213       | 27,731              | 26,808       |                     | (5,421)          | (7,033)     | (366)       | (2,436)      | 1,703              |
| 16530  | Prior year   | 36,805    | 32,119       | 1000        | 2,207        | (5,971)             | 4,043        | 3,697               | (3,121)          |             |             |              | 74.098             |
|        |  | (6,792)   | (1,534)      | 4,267       | 2,20         | . ,                 |              | 205                 | 147,861          | 132,059     | 120,287     | 103,221      |                    |
|        | Change   | • • •     |              |             | 112,135      | 94,075              | 187,114      | 173,385             | 152,327          | 138,725     | 120,872     | 106,464      | 88,513             |
|        | I Dmants   | 58,972    | 47,183       | 111,754     |              | 1                   | 179,890      | 163,916             |                  | (6,666)     | (585)       | (3,243)      | (14,415)           |
| ****   | Total Prepayments  | 68,943    | 51,294       | 108,881     | 4 = 0.1      |                     | 7,224        | 9,469               | (4,466)          | (0,000)     | ` .         |              |                    |
|        | Prior year   | (9,971    |              | 2,873       | 1,701        | (5,050)             |              |                     |                  | 2,022       | 4,311       | 7,067        | 9,436              |
|        | Change   | (2,211    | ,            |             | . 7.00       | 7,162               | 9,401        | 11,469              | 13,758           |             | 4,721       | 7,030        | 9,388              |
|        |  | 11,774    | 14,083       | 2,375       |              |                     | -1           | 11,693              | 14,090           | 2,335       |             | 37           | 48                 |
| 171.00 | Interest receivable  | 11,775    |              |             | 4,718        |                     | (49)         | (224)               | (332)            | (313)       | (410)       | ,            |                    |
|        | Prior year   |           | (10)         |             | 5 51         | . 48                | (.,,         | ,                   |                  | 105         | 86,495      | 101,485      | 107,695            |
|        | Change   | (1        | (            | ,           |              | - 404               | 8,124        | 11,844              | 11,872           | 86,495      | 00,473      | 101,1        |                    |
|        | -  |           |              |             |              | 8,124               | 0,124        |                     |                  |             | 07.405      | 101,485      | 107,695            |
| 186.00 | Miscellaneous  |           |              |             |              |                     | 0 174        | 11,844              | 11,872           | 86,495      | 86,495      | 101,403      | -0.4-5-            |
| 100.00 | Prior year   |           | n 0          | ,           | 0 (          | 0 8,124             | 8,124        | 11,044              | •                |             |             | 108,552      | 117,131            |
|        | Change   | +         | 0 0          |             | -            |                     | 45.505       | 23,313              | 25,630           | 88,517      |             |              | ·                  |
|        | О  |           | . 44000      | 2,37        | 5 4,76       | 9 15,286            |              |                     | 14,090           |             | 4,721       |              |                    |
| ****   | Total Deferred Debits  | 11,77     |              |             |              | 8 7,114             |              |                     |                  |             | 86,085      | 5 101,522    | 107,74             |
| ****   | Prior year   | 11,77     | 5 14,095     | · _         | 5 5          |                     | 8,075        | 11,620              | 11,540           |             |             |              | 60.160.60          |
|        |  | (         | (1) (12)     | 2) 3        | י כו         | - '                 |              | 222 115             | 66,240,284       | 67,648,969  | 67,189,23   | 4 67,618,833 | 68,158,62          |
|        | Change   | ·         |              |             | 65,763,92    | 67,427,627          | 7 68,578,879 |                     |                  |             | 66,030,50   | 8 66,281,052 | 2 66,550,20        |
|        | m . 1 A and Debits   | 65,975,05 | 65,785,679   | 65,138,50   |              |                     | 3 66,048,273 | 65,649,326          |                  |             |             | 6 1,337,781  | 1,608,36           |
| *****  |  | 66,185,72 |              | 8 64,622,32 |              |                     | (0/          | 1,373,789           | (118,79)         | 1,557,75    |             |              |                    |
|        | Prior year   | (210,67   |              | 1 516,17    | 727,56       | ري <u>س</u> ري ال   |              |                     |                  | 3 23,356,06 | 1 23 343.50 | 1 23,336,13  | 8 23,326,53        |
|        | Change   | (210,0.   |              |             |              | 23,706,74           | 3 23,367,532 | 23,364,026          | 23,359,23        |             |             | 2 24,074,02  | 2 24,071,50        |
|        |  | 24,061,40 | 06 24,054,98 | 0 24,045,42 | 20 23,716,08 |                     |              |                     | 24,110,44        |             |             |              |                    |
| 201.10 |  | 23,608,7  |              | 4 23,607,7  | 81 23,290,06 |                     |              |                     |                  | 1) (745,93  | 0) (745,40  |              | - *                |
|        | Prior year   |           |              |             | 39 426,0     | 14 425,04           | , (151,05    | .,                  |                  |             |             | 6 1,225,09   | 6 1,225,09         |
|        | Change   | 452,6     | אל אידי, אל  |             |              |                     | .9 1,225,09  | 6 1,225,09          | 6 1,225,09       | 6 1,225,09  |             |              |                    |
|        |  |           | 49 804,64    | 804.6       | 49 804,6     | 49 804,64           |              |                     |                  | 9 804,64    |             |              |                    |
| 201.2  | 0 Pat cap- assignable  | 804,6     |              |             |              | 48 559,14           |              |                     |                  |             | 7 420,44    | +/ 420,44    | 720,1              |
| 401.4  |  | 559.1     | 48 559,14    |             |              |                     | 11 420,44    | / 420,44            |                  |             |             |              |                    |
|        | Prior year   | 245,5     |              | ) 245,5     | :01 245,5    | 01 242,20           | ,11          |                     |                  |             |             |              |                    |

| nose or m | e Preceding Year - Balance Sho | August S     | Schreimen                              | OCTOOO!      | November<br>Month 4 | December<br>Month 5 | January<br>Month 6 | February Month 7 | March<br>Month 8 | April<br>Month 9 |                       |                    | Month 12<br>341,235 |
|-----------|--------------------------------|--------------|--|--------------|---------------------|---------------------|--------------------|------------------|------------------|------------------|-----------------------|--------------------|---------------------|
|           | Description                    | Month L      | Month 2                                | Month 3      | IAIOHEE             |                     |                    | (284,410)        | (558,852)        | 83,448           | 173,339               | 248,440<br>139,284 | (128,533            |
| Acct#     | Description                    |              | 0.70)                                  | (566,055)    | (692,993)           | 90,239              | 180,134            | (137,163)        | 13,818           | (11,783)         | 76,805                | 109,156            | 469,768             |
|           | Current year margins           | (101,200)    | (70,858)                               | (150,585)    | 841,075             | 1,090,642           | (144,164)          | (147,247)        | (572,670)        | 95,231           | 96,534                | 109,130            | 405,700             |
| 19.10     |                                | 359,744      | 225,369                                |              | (1,534,068)         | (1,000,403)         | 324,298            | (147,247)        | (3,2,-,-,        |                  |                       |                    | 24 902 866          |
|           | Prior year                     | (460,944)    | (296,227)                              | (415,470)    | (1,554,000)         | •                   |                    |                  | 24,025,477       | 24,664,605       | 24,741,936            | 14,809,674         | 24,092,000          |
|           | Change                         | •            |  |              | 23.827,737          | 24,601,631          | 24,772,762         | 24,304,712       | 24,928,911       | 24,894,863       | 24,741,956            | 25,017,955         | 24, 141,004         |
|           |                                | 24,764,855   | 24,788,771                             | 24,284,014   |                     | 24,931,486          | 24,785,654         | 24,786,797       |                  | (230,258)        | (226,420)             | (208, 281)         | 145,182             |
| ***       | Total Capital Credits          | 24,527,599   | 24,390,051                             | 24,016,344   | 24,690,290          | (329,855)           | (12,892)           | (482,085)        | (903,434)        | (250(255)        |                       |                    | - 40 00             |
|           | Prior year                     | 237,256      | 398,720                                | 267,670      | (862,553)           | (32),000            | •                  | _                | £12.26£          | 543.635          | 552,488               | 556,729            | 563,29              |
|           | Change                         | 231,230      |  |              | 105 504             | 531,790             | 537,977            | 540,126          | 543,365          | 408,082          | 418,176               | 427,827            | 429,58              |
|           |                                | 436,902      | 438,623                                | 445,581      | 497,794             | 391,288             | 392,819            | 396,806          | 402,700          | 135,553          | 134,312               | 128,902            | 133,71              |
| 17.00     | Other equities                 | 755,591      | 757,589                                | 764,779      | 818,561             | 140,502             | 145,158            | 143,320          | 140,665          | 135,555          | ,                     |                    |                     |
|           | Prior year                     |              | (318,966)                              | (319,198)    | (320,767)           | 140,302             | 17-11-             |                  |                  | C42 (25          | 552,488               | 556,729            | 563,29              |
|           | Change                         | (318,689)    | (21012-7                               |              |                     | ea1 200             | 537,977            | 540,126          | 543,365          | 543,635          | 418,176               | 427,827            | 429,58              |
|           |                                |              | 438,623                                | 445,581      | 497,794             | 531,790             | 392,819            | 396,806          | 402,700          | 408,082          | 134,312               | 128,902            | 133,71              |
| ****      | Total Other Equities           | 436,902      | 757,589                                | 764,779      | 818,561             | 391,288             | 145,158            | 143,320          | 140,665          | 135,553          | 134,312               | 120,5 +-           |                     |
|           | Prior year                     | 755,591      | •                                      | (319,198)    | (320,767)           | 140,502             | 143,130            | 1.0,000          |                  |                  | 25,294,424            | 26 266 403         | 25 456 15           |
|           | Change                         | (318,689)    | (318,966)                              | (317,17-)    | •                   |                     |                    | 24,844,838       | 24,568,842       | 25,208,240       | 25,294,424 25,386,532 | 25,300,403         | 25,120,26           |
|           | Change                         |              |  | 24,729,595   | 24,325,531          | 25,133,421          | 25,310,739         | 25,183,603       | 25,331,611       | 25,302,945       |                       | 25,445,762         | 278,89              |
|           | Total Margins & Equities       | 25,201,757   | 25,227,394                             |              | 25,508,851          | 25,322,774          | 25,178,473         |                  | (762,769)        | (94,705)         | (92,108)              | (79,379)           | 210,0.              |
| ****      |                                | 25,283,190   | 25,147,640                             | 24,781,123   | (1,183,320)         | (100 252)           | 132,266            | (338,765)        | (102,10)         | •                |                       |                    | 24 002 2            |
|           | Prior year                     | (81,433)     | 79,754                                 | (51,528)     | (1,105,520)         | <b>\</b> - , .      |                    | 4 600            | 25,065,450       | 25,034,383       | 24,954,299            | 24,923,002         | 24,893,3            |
|           | Change                         | V ,          |  |              | 25,242,804          | 25,208,256          | 25,179,311         | 25,094,659       | 25,625,971       | 25,597,649       | 25,515,827            | 25,487,296         | 25,460,3            |
|           |                                | 25,377,518   | 25,348,674                             | 25,321,416   |                     | 25,763,255          | 25,734,406         | 25,651,369       |                  |                  |                       | (564,294           | ) (567,0            |
| 224.3     | RUS notes                      | 25,909,217   | 25,888,434                             | 25,868,531   | 25,784,551          |                     | (555,095)          | (556,710)        | (560,521)        | (303,200)        | •                     |                    |                     |
|           | Prior year                     | (531,699)    | (539,760)                              | (547,115)    | (541,747)           | (334,222)           |                    |                  | (2.000.000)      | (9,808,000)      | (9.808,000)           | (9,808,000         | ) (9,808,0          |
|           | Change                         | (351,055)    | Ç ,                                    |              |                     | (9,808,000)         | (9,808,000)        | (9,808,000)      | (9,808,000)      |                  |                       | 000,808,01) (      | ) (10,808,0         |
|           |                                | (10,808,000) | (10,808,000)                           | (10,808,000) | (10,808,000)        | ,                   |                    |                  | (10,808,000)     |                  | 1,000,000             |                    | 1,000,0             |
| 224.40    | RUS notes unadvanced           | (11,808,000) |  | (11,808,000) | (11,808,000         |                     |                    | 2,000,000        | 1,000,000        | 1,000,000        | 1,000,                |                    |                     |
|           | Prior year                     | 1,000,000    | 1,000,000                              | 1,000,000    | 1,000,000           | 2,000,000           | 2,000,000          |                  |                  | . (51.277        | `                     |                    |                     |
|           | Change                         | 1,000,000    | 1,000,011                              |              |                     |                     |                    |                  | (54,377)         |                  |                       | ) (29)             | 7) (1               |
|           |                                | (297)        | (297)                                  | (297         | ) (297              |                     | (297               | (297)            | ) (297)          |                  | ,                     | ,                  |                     |
| 224.60    | RUS advance payments           |              | , , , , ,                              |              | (297                |                     | ,                  | ,                |                  | (54,080          | )                     |                    |                     |
| JJ 1.0-   | Prior year                     | (294)        | (0)                                    | (3           | (                   | ) 291               | , , ,              |                  |                  |                  | 15 706 721            | 15,628,16          | 4 15,628,           |
|           | Change                         | (3           | )                                      | ,            |                     |                     | 15,786,356         | 15,786,356       | 15,706,721       |                  |                       | 15,936,08          | 2 15,936,           |
|           | 3                              |              | 15 061 648                             | 15,861,648   | 15,861,648          | 8 15,786,356        |                    |                  |                  | 16,011,338       |                       |                    |                     |
| 224.32    | FFB notes                      | 15,936,082   |  |              |                     | 9 16,085,742        |                    | (200 20/         | (204 (17         |                  | 7) (304,61            | (307,51            | 0) (=               |
| 224.32    | Prior year                     | 16,231,027   |  | (000 15)     | (005.15             | 1) (299,386         | 5) (299,386        | (2)),300         |                  |                  | 10                    | 9 3,793,46         | 9 3,793             |
|           | Change                         | (294,945     | (297,151                               | ) (2),13     | *,                  |                     |                    | 3.843,859        | 3,843,859        | 3,843,85         | 3,793,46              |                    |                     |
|           | Change                         |              |  | 3,946,00     | 0 3,893,46          | 3 3,893,46          | 3,893,463          |                  |                  |                  | 3,997,71              |                    |                     |
|           | CFC notes                      | 3,946,000    | 3,946,000                              |              |                     |                     |                    | (004.74)         |                  |                  | 9) (204,24            | 2) (204,24         | (204                |
| 224.12    | •                              | 4,154,043    | 4,154,043                              | 1000.04      | (200.20             |                     | 2) (208,28         | 2) (204,749      | 9) (201,         |                  |                       |                    | 74.506              |
|           | Prior year                     | (208,04)     |  | 3) (208,04   | (200,20             | (2)                 |                    |                  | 4 34,753,65      | 3 34,722,58      | 6 34,646,48           |                    | 34,506              |
|           | Change                         | (            | •                                      |              | 34,189,61           | 8 35,080,07         | 5 35,051,13        |                  |                  |                  |                       | 9 34,612,7         | 92 34,585           |
|           |                                | 34,451,30    | 3 34,348,02                            |              |                     | • •                 |                    | 6 33,977,42      |                  |                  |                       | 00) (76,1          | 57) (78             |
| ****      | Total long term debt           | 34,485,99    | 3 34,392,98                            | 2 34,373,07  |                     |                     |                    | 4 939,45         | 2 (123,96        | (120,71          | -,                    |                    |                     |
|           | Prior year                     | (34,69       |  | 7) (52,31    | 12) (47,18          | 557,02              |                    |                  | 10               | 1,875,84         | 1,880,60              | 7 1,882,4          | 23 1,89             |
|           | Change                         | (34,0)       | ·, · · · · · · · · · · · · · · · · · · |              |                     | 06 1,857,97         | 70 1,860,47        | 1,867,05         | 3 1,872,49       | -                |                       |                    | 16 1,86             |
|           | _                              | 1 044 00     | 1,871,67                               | 4 1,872,86   |                     |                     |                    |                  | 9 1,846,84       |                  |                       | · · · ·            |                     |
| ****      | 228.3 Postretirement benefits  | 1,866,09     | -0501                                  |              | 82 1,395,3          |                     | , ,                | - 4 00           |                  | 14 24,60         | رر کے در              |                    |                     |
|           | Prior year                     | 1,400,68     |  | 100.1        |                     | 15 22,19            | 71 21,0.           |                  |                  |                  |                       |                    |                     |
|           | Change                         | 465,41       | 11 415,15                              | . ,          |                     |                     |                    |                  |                  |                  |                       |                    |                     |
|           | <del></del> •                  |              |  |              |                     |                     |                    |                  |                  |                  | 0                     | 0                  | 0                   |
|           |                                |              |  |              |                     |                     |                    |                  |                  |                  |                       |                    |                     |
| ****      | 231 OCNotes payable - short te | rm           |  |              |                     |                     | 0                  | 0                | 0                | 0                | 0                     | v                  |                     |
| ****      | 231.00Notes payable - short te | rm           | 0                                      | 0            | 0                   | 0                   | 0                  | 0                | 0                | 0                | U                     | J                  |                     |

|         | e Preceding Year - Balance Sh          | August                 | September              | October<br>Month 3   | November<br>Month 4    | December<br>Month 5    | January<br>Month 6     | February Month 7       | Month 8                         | Month 9                |                        | Month II               | Month 12               |
|---------|--|------------------------|------------------------|----------------------|------------------------|------------------------|------------------------|------------------------|---------------------------------|------------------------|------------------------|------------------------|------------------------|
| Acct#   | Description                            | Month L                | Month 2                | MOHIT                | 7.1911                 |                        | 4.570.464              | 3,629,838              | 3,297,827                       | 3,926,016              | 3,449,059              | 3,965,341              | 4,456,074<br>3,086,855 |
|         | Accounts payable - general             | 2,560,343              | 2,478,041              | 2,474,614            | 3,685,343<br>2,173,033 | 3,765,403<br>2,462,934 | 4,570,464<br>3,155,123 | 2,822,420              | 2,528,568<br>769,259            | 2,198,682<br>1,727,334 | 2,121,411<br>1,327,648 | 2,474,094<br>1,491,247 | 1,369,219              |
| 32.1    | Prior year                             | 3,102,836<br>(542,493) | 2,697,345<br>(219,304) | 2,185,576<br>289,038 | 1,512,310              | 1,302,469              | 1,415,341              | 807,418                | 3.297,827                       | 3,926,016              | 3,449,059              | 3,965,341              | 4,456,074              |
| ***     | Change Total Payables                  | 2,560,343              | 2,478,041              | 2,474,614            | 3,685,343<br>2,173,033 | 3,765,403<br>2,462,934 | 4,570,464<br>3,155,123 | 3,629,838<br>2,822,420 | 2,528,568                       | 2,198,682<br>1,727,334 | 2,121,411<br>1,327,648 | 2,474,094<br>1,491,247 | 3,086,855<br>1,369,219 |
| ***     | Prior year                             | 3,102,836<br>(542,493) | 2,697,345<br>(219,304) | 2,185,576<br>289,038 | 1,512,310              | 1,302,469              | 1,415,341              | 807,418                | 769,259<br>379,445              | 383,195                | 381,870                | 384,195                | 386,110                |
|         | Change                                 | •                      | 201 200                | 381,395              | 380,420                | 378,395                | 382,995                | 379,895                | 379, <del>44</del> 3<br>379,980 | 378,530                | 378,605                | 379,430                | 381,655                |
| *** 235 | Customer deposits                      | 382,580                | 381,380<br>386,680     | 386,355              | 386,655                | 385,380                | 392,030                | 388,730<br>(8,835)     | (535)                           | 4,665                  | 3,265                  | 4,765                  | 4,455                  |
| 201     | Prior year                             | 387,205                | (5,300)                | (4,960)              | (6,235)                | (6,985)                | (9,035)                | (0,033)                | (,                              |                        | 000 884                | 255,272                | 120,645                |
|         | Change                                 | (4,625)                | (5,500)                | •                    |                        | (101)                  | 49,347                 | 98,805                 | 140,968                         | 190,426                | 239,884<br>231,283     | 243,853                | 110,428                |
|         | 4                                      | 157,968                | 205,508                | 29,033               | (54,976)               | 409                    | 47,939                 | 95,479                 | 136,203                         | 183,743                | 8,601                  | 11,419                 | 10,217                 |
| 236.1   | Acc property taxes                     | 127,572                | 170,381                | 150,405              | (49,445)<br>(5,531)    | (510)                  | 1,408                  | 3,326                  | 4,765                           | 6,683                  | 0,001                  | 2 - 4                  |                        |
|         | Prior year<br>Change                   | 30,396                 | 35,127                 | (121,372)            | (1,5,5,0)              | (5.5)                  | •                      |                        |                                 | 26                     | 89                     |                        | 41                     |
|         | Change                                 |                        |                        | 10                   | 28                     |                        | 1,280                  | 1,694<br>1,711         |                                 | 17                     | 28                     |                        | 16<br>25               |
| 236.2   | Acc FUTA tax                           | 24                     |                        | 11                   | 13                     |                        | 1,291                  | (17)                   | 0                               | 9                      | 61                     | C                      | 23                     |
| 224.2   | Prior year                             | 29<br>(5)              | 0                      | (1)                  | 15                     | 0                      | (11)                   | (1,,)                  |                                 |                        |                        |                        |                        |
|         | Change                                 | (5)                    | -                      |                      |                        |                        |                        |                        |                                 | (5)                    | (5                     | ) (:                   | 5) (5)                 |
|         | A TICA toy                             | (5)                    | )                      | (5)                  | (5)<br>(5)             | (5)                    | (5)                    | (5)                    | (5)<br>5                        | (5)<br>5               | 5                      |                        | 5 5                    |
| 236.3   | Acc FICA tax Prior year                |                        |                        | (5)<br>0             |                        | 5                      | 5                      | 5                      | 5                               | ,                      |                        |                        |                        |
|         | Change                                 | (5)                    | ) 0                    | U                    | ·                      |                        | -20                    | 1,414                  |                                 | 26                     | 103                    |                        | 7) 58<br>12            |
|         | 5g                                     | 22                     | (5)                    | 7                    |                        |                        | 938<br>775             | 1,167                  |                                 | 15                     |                        |                        | 7) 46                  |
| 236.4   | Acc SUTA tax                           | 22<br>20               |                        | 10                   | 15                     |                        | 163                    | 247                    | 0                               | 11                     | 80                     | ) (                    | ,,                     |
|         | Prior year                             | 2                      |                        | ) (3                 | ) 6                    | U                      | 100                    |                        |                                 | 62,135                 | 59,447                 | 51,68                  | 3 61,317               |
|         | Change                                 |                        |                        |                      | 57,270                 | 59,996                 | 64,846                 | 54,790                 | 55,944                          | 60,580                 |                        |                        | 9 60,086               |
| 236.5   | Sales tax                              | 61,004                 |                        |                      |                        | == ===                 | 56,479                 | 58,948                 | 62,394<br>(6,450)               |                        |                        |                        | 6) 1,231               |
| 230.3   | Prior year                             | 61,099                 |                        |                      |                        |                        | 8,367                  | (4,158)                | (0,430)                         | , -,                   |                        |                        | 87,782                 |
|         | Change                                 | (95                    | 5) 3,000               | 3,202                |                        |                        | 118,036                | 91.372                 | 76,215                          | 78,502                 |                        |                        |                        |
|         |  | 86,038                 | 84,812                 | 66,729               | 83,812                 |                        |                        |                        |                                 | 84,238                 |                        | •                      | (628)                  |
| 236.61  | School taxes                           | 92,389                 |                        | 64,810               |                        |                        |                        |                        |                                 | ) (5,736               | 5) (5,58               | 9)                     | (/                     |
|         | Prior year                             | (6,35                  | (0.5)                  | 5) 1,919             | 9 3,915                | 5 14,477               |                        |                        | 077                             | 7,329                  | 9 14,11                | 1 22,1                 |                        |
|         | Change                                 | •                      |                        | 5 11,98              | 5 18.74                | 5                      | 7,060                  |                        |                                 | ,                      |                        | 3 22,7                 |                        |
| 236.71  | Franchise taxes                        | 15,82                  |                        |                      |                        |                        |                        |                        |                                 |                        | 5) (52                 | (5)                    | 74) (435)              |
| 230,71  | Prior year                             | 15,60                  |                        |                      |                        | 3 (17,41)              | 1) 557                 | (105                   | (21,00-                         | ,                      |                        | 59 37,3                | 59 43.359              |
|         | Change                                 | 22                     | 0 1,50                 | ,                    |                        | 1 250                  | 7,359                  | 13,359                 | 19,359                          | 25,35                  |                        |                        |                        |
|         | _, , , , , , , , , , , , , , , , , , , | 41,66                  | 46,87                  | 2 52,08              |                        |                        | 5,208                  | 3 10,416               | 5 15,624                        |                        |                        |                        |                        |
| 236.80  |  | 50,33                  | 6 56,62                |                      |                        | 1 77                   |                        |                        | 3,735                           | 5 4,52                 | .1                     | .,                     |                        |
|         | Prior year<br>Change                   | (8,67                  |                        | 6) (10,84            | 10) (12,70             | ,0,                    |                        |                        | 4) 66,633                       | 2 83,47                | (2,7)                  | 29) 15,7               |                        |
|         | Change                                 |                        | 9.79                   | 17,99                | 96                     | 1,36                   |                        |                        | .,                              |                        | 37                     |                        | 17,362<br>230 13,787   |
| 237.10  | RUS interest                           |                        | 9,79<br>8,32           | •                    |                        | 6,98                   |                        | `                      | -,                              |                        |                        | 29) 6,3                | 230 13,787             |
|         | Prior year                             |                        | 0 1,47                 |                      |                        | 0 (5,62                | .2) (3,39              | 0, 5,02                |                                 |                        | 19 117,8               | 38                     | 58,919                 |
|         | Change                                 |                        | -111                   |                      | 102.01                 | 00                     | 58,91                  | 9 117,83               |                                 | 58,91<br>61.60         | • •                    |                        | 61,600                 |
|         | EED interest                           | 123,20                 | 00                     | 61,60                |                        |                        | 61,60                  | 00 123,20              |                                 | 0 (2,6)                |                        |                        | 0 (2,681               |
| 237.1   | FFB interest Prior year                | 133,0                  | 00                     | 0 (4,9               |                        |                        | 0 (2,68                |                        | 2)                              | 0 (2,6                 | · · ·                  |                        |                        |
|         | Change                                 | (9,8                   | 00)                    | 0 (4,9               | 00)                    | ,                      |                        |                        |                                 |                        |                        |                        |                        |

| those of th | e Preceding Year - Balance Sh | ieet              |                      |                      |                     |                     |                    |                     |                    |                         |                         | Y                | Tantas                   |
|-------------|-------------------------------|-------------------|----------------------|----------------------|---------------------|---------------------|--------------------|---------------------|--------------------|-------------------------|-------------------------|------------------|--------------------------|
| Acct #      | Description                   | August<br>Month L | September<br>Month 2 | October<br>Month 3   | November<br>Month 4 | December<br>Month 5 | January<br>Month 6 | February<br>Month 7 | March<br>Month 8   | April<br>Month 9        | May<br>Month 10         | June<br>Month 11 | July<br>Month 12         |
| ACCUTE.     |                               |                   |                      | (656)                |                     |                     |                    |                     |                    |                         | 4,638                   |                  | 6,412                    |
| 237.30      | Other interest                |                   |                      | (030)                |                     |                     |                    |                     |                    |                         | 4.620                   | 0                | 6,412                    |
|             | Prior year<br>Change          | 0                 | 0                    | (656)                | 0                   | 0                   | 0                  | 0                   | 0                  | 0                       | 4,638                   | U                | 0,412                    |
|             | Change                        |                   |                      |                      |                     | 21,600              | 38,040             | (21,600)            | (5,160)            | 11,280                  | (21,600)                | (5,160)          | 11,280                   |
| 237.40      | CFC notes                     |                   | 21,600<br>23,050     | 43,200<br>46,100     |                     | 23,050              | 44,650             | (21,000)            | 21,600             | 43,200                  |                         | 21,600           | 43,200                   |
|             | Prior year                    | 0                 | (1,450)              | (2,900)              | 0                   | (1,450)             | (6,610)            | (21,600)            | (26,760)           | (31,920)                | (21,600)                | (26,760)         | (31,920)                 |
|             | Change                        | v                 | (1,750)              |                      |                     |                     | 1.000              | 3,612               | 5.330              | 6,857                   | 8,504                   | 10,032           | 11,589                   |
| 237.50      | Consumer deposit interest     | 13,051            | 14,428               | 15,841               | 17,181              | 18,533<br>17.946    | 1,988<br>1,987     | 3,648               | 5,397              | 7,006                   | 8,577                   | 10,108           | 11,655                   |
|             | Prior year                    | 12,619            | 13,960               | 15,311<br>530        | 16,478<br>703       | 587                 | 1,507              | (36)                | (67)               | (149)                   | (73)                    | (76)             | (66)                     |
|             | Change                        | 432               | 468                  | 330                  | 703                 | 507                 | •                  | ,                   |                    |                         |                         |                  |                          |
| 241.00      | Federal income tax withhled   |                   |                      |                      |                     |                     |                    |                     |                    |                         |                         |                  |                          |
| 211.00      | Prior year                    |                   | _                    |                      | 0                   | 0                   | 0                  | 0                   | 0                  | 0                       | 0                       | 0                | 0                        |
|             | Change                        | 0                 | 0                    | 0                    | U                   | U                   | · ·                | -                   |                    |                         |                         |                  |                          |
| 241.10      | State inc tax withheld        | 2,065             | (3,933)              | (3,933)              |                     |                     |                    |                     |                    |                         |                         |                  |                          |
| 241.10      | Prior year                    | 1,865             |                      | (2.022)              | 0                   | 0                   | 0                  | 0                   | 0                  | 0                       | 0                       | 0                | 0                        |
|             | Change                        | 200               | (3,933)              | (3,933)              | U                   | 0                   | Ū                  |                     |                    |                         | 0.001                   | 33               | 1,164                    |
| 241.20      | Occupation tax withheld       |                   | 29                   | 1,031                | 1,978               | 45                  | 981                | 2,571               | 17                 | 1,027<br>914            | 2,001<br>1,849          | 33<br>14         | 1,104                    |
| 241.20      | Prior year                    |                   |                      | 945                  | 1,866               |                     | 951                | 1,978<br>593        | 17                 | 113                     | 152                     | 19               | 90                       |
|             | Change                        | 0                 | 29                   | 86                   | 112                 | 45                  | 30                 | 393                 | 17                 | ***                     |                         |                  |                          |
|             | Misc accrued liabilities      | (3,360)           | (3,360)              | (3,360)              | (3,360)             |                     |                    |                     | (2.2.60)           | (2.260)                 | (3,360)                 | (3,360)          | (3,360)                  |
| 242.00      | Prior year                    | (5,500)           | (5,500)              | ( ,                  | • •                 |                     |                    | 0                   | (3,360)<br>3,360   | (3,360)<br>3,360        | 3,360                   | 3,360            | 3,360                    |
|             | Change                        | (3,360)           | (3,360)              | (3,360)              | (3,360)             | 0                   | 0                  | U                   | 5,500              | 3,300                   | 2,222                   | ·                |                          |
|             |                               | 109 757           | 108,376              | 107,407              | 108,171             | 96,405              | 104,371            | 112,622             | 115,850            | 115,127                 | 117,652                 | 120,178          | 119,631<br>112,458       |
| 242.10      | Accrued vacation              | 108,353<br>98,528 | 104,621              | 103,408              | 102,885             | 90,793              | 101,424            | 108,576             | 110,755            | 111,217                 | 110,468                 | 111,425<br>8,753 | 7,173                    |
|             | Prior year<br>Change          | 9,825             | 3,755                | 3,999                | 5,286               | 5,612               | 2,947              | 4,046               | 5,095              | 3,910                   | 7,184                   | 0,133            | 7,175                    |
|             | Chango                        |                   |                      | 2.554                |                     |                     | 36,720             |                     |                    |                         |                         |                  |                          |
| 242.2       | Acc payroll                   |                   |                      | 3,754                |                     |                     | 4,437              |                     |                    |                         |                         | •                |                          |
|             | Prior year                    | 0                 | 0                    | 3,754                | 0                   | 0                   | 32,283             | 0                   | 0                  | 0                       | 0                       | 0                | 0                        |
|             | Change                        | Ū                 |                      |                      |                     | 200 227             | 504,146            | 488,254             | 474,078            | 640,487                 | 647,457                 | 595,081          | 561,017                  |
| ****        | Total Current & Accrued L     | 605,844           | 570,552              | 457,382              | 404,145             | 308,227<br>302,022  | 452,027            | 516,277             | 476,285            | 590,758                 | 656,103                 |                  | 547,498                  |
|             | Prior year                    | 593,057           | 544,386              | 579,994<br>(122,612) | 413,581<br>(9,436)  |                     | 52,119             | (28,023)            | (2,207)            | 49,729                  | (8,646)                 | ) (3,153)        | 13,519                   |
|             | Change                        | 12,787            | 26,166               | (122,012)            | (5,450)             | 5,2                 |                    | -                   |                    | 202 (02                 | 889,328                 | 888,755          | 897,015                  |
| **** 757    | OCConsumer advances for coa   | 907,127           | 908,613              | 901,885              | 903,758             | 904,136             | 898,930            | 896,363             | 893,946<br>918,169 | 892,602<br>917,854      | 915,832                 | ,                | 908,091                  |
| 1111 232    | Prior year                    | 932,767           | 932,619              | 920,517              | 922,046             | 922,174             | 918,386            | 917,905             | (24,223)           | (25,252)                |                         |                  |                          |
|             | Change                        | (25,640)          | (24,006)             | (18,632)             | (18,288)            | (18,038)            | (19,456)           | (21,542)            | (27,223)           | •                       | •                       | ,                |                          |
|             | m . 1 m . 121 - 0 T 121 13141 | 65,975,052        | 65,785,679           | 65,138,505           | 65,763,921          | 67,427,627          | 68,578,879         | 67,023,115          | 66,240,284         | 67,648,969              | 67,189,234              |                  | 68,158,626<br>66,550,265 |
| *****       | Total Equities & Liabilities  | 66,185,729        | 65,497,568           | 64,622,326           | 65,036,355          | 65,373,508          | 66,048,273         | 65,649,326          | 66,359,082         | 66,089,245<br>1,559,724 | 66,030,508<br>1,158,726 |                  | 1,608,361                |
|             | Prior year<br>Change          | (210,677)         | , ,                  | 516,179              | 727,566             | 2,054,119           | 2,530,606          | 1,373,789           | (118,798)          | 1,339,124               | 1,130,720               | 1,001,101        | -,,                      |
|             |                               |                   |                      |                      |                     |                     |                    |                     |                    |                         |                         |                  |                          |

| Datatices | with those of the Precedi                |                                    | September            | October               | Nove<br>Mon             | 111001                             | December<br>Month 5          | January<br>Month 6         | Febr<br>Mor           | nth 7                              | March<br>Month 8          | April<br>Month 9             | May<br>Month            | 10 1                         |                             | Month 12           | Total                                 |
|-----------|--|------------------------------------|----------------------|-----------------------|-------------------------|------------------------------------|------------------------------|----------------------------|-----------------------|------------------------------------|---------------------------|------------------------------|-------------------------|------------------------------|-----------------------------|--------------------|---------------------------------------|
| Acct#     | Description N                            | Month 1                            | Month 2<br>1,602,418 | Month 3               |                         | 13,520                             | 2,605,560                    | 2,828,853                  |                       |                                    | 1,542,177<br>1,923,317    | 1,505,111<br>1,393,472       | 1,369<br>1,286          | ,834                         | 1,696,638<br>1,531,799      | 1,700,094          | 21,685,776<br>20,510,384<br>1,175,392 |
| . (0.20   | Prior year                               | 1,716,417<br>1,787,398<br>(70,981) | 1,545,334 57,084     | 1,121,878             | 1,89                    | 98,248<br>54,728)                  | 2,032,396<br>573,164         | 2,161,664<br>667,189       |                       | 27,950<br>50,199)                  | (381,140)                 | 111,639                      |                         | ,934                         | 164,839<br>486,413          | 69,064<br>469,836  | 5,453,434                             |
|           | Change<br>Small commercial               | 465,836                            | 484,959              | 428,08                | 43                      | 39,787<br>75,172                   | 477,390<br>428,784           | 487,446<br>449,027         | 4                     | .03,356<br>.44,456                 | 403,301<br>450,409        | 477,725<br>424,906<br>52,819 | 440                     | 9,304<br>),712<br>1,408)     | 486,413<br>484,839<br>1,574 | 466,550<br>3,286   | 5,480,298<br>(26,864)                 |
| , 12,20   | Prior year Change                        | 474,675<br>(8,839)                 | 465,814<br>19,145    | 374,954<br>53,12      |                         | 35,385)                            | 48,606                       | 38,419                     | ,                     | (41,100)<br>662,681                | (47,108)<br>744,523       | 779,614                      | 875                     | 5,436                        | 850,345                     | 814,042<br>808,154 | 9,373,237<br>9,708,315                |
| 442.20    | Large commercial                         | 828,904<br>815,998                 | 860,007<br>807,870   |                       | 0 1,1                   | 45,317<br>19,063                   | 714,477<br>683,901<br>30,576 | 778,798<br>772,986<br>5,81 | 1 6                   | 680,412<br>(17,731)                | 791,769<br>(47,246)       | 795,918<br>(16,30            |                         | 8,215<br>7,221               | 892,501<br>(42,156)         | 5,888              | (335,078)                             |
|           | Prior year<br>Change                     | 12,906                             | 52,137               |                       | ·                       | 2,158                              | 2,219                        | 2,12                       | 7                     | 2,043                              | 2,094<br>2,066            | 2,23<br>2,08                 | -                       | 2,302<br>2,150               | 2,198<br>2,124              | 2,230<br>2,102     | 25,875<br>24,145                      |
| 444.2     | Public lighting<br>Prior year            | 2,068<br>1,880<br>188              | 2,134<br>1,907<br>22 | 1,84                  | 4                       | 2,206<br>(48)                      | 1,927<br>292                 | 1,94<br>18                 |                       | 1,918<br>125                       | 2,000                     | 15                           | 0                       | 152                          | 74                          | 128<br>33,222      | 1,730<br>470,225                      |
| 450.00    | Change Forfeit Discounts                 | 40,786                             | 35,08                | 37,9                  |                         | 26,381<br>20,744                   | 39,021<br>28,329             | 53,01<br>40,71             | 6                     | 60,055<br>44,894                   | 50,729<br>46,046<br>4,683 | 49,65                        | 1 3                     | 33,448<br>36,049<br>(2,601)  | 27,006<br>26,164<br>842     | 33,877<br>(655     | 432,448                               |
| 450.00    | Prior year<br>Change                     | 36,409<br>4,377                    |                      | 1,9                   | 58                      | 5,637                              | 10,692<br>(29,125)           | 12,29                      |                       | 15,161<br>20,380                   | 20,380                    | 20,3                         | 30                      | 20,380                       | 20,380<br>23,082            | 20,380<br>60,658   |                                       |
| 454       | Joint use rents<br>Prior year            | 17,423<br>14,229                   | ) 19,65              | 9 19,9                | 72                      | 14,984<br>11,656<br>3,328          | 11,656<br>(40,781)           | 53,9                       | 28                    | 22,782<br>(2,402)                  | 22,782<br>(2,402          |                              |                         | 26,109<br>(5,729)            | (2,702                      | (40,278            | (97,425)                              |
|           | Change                                   | 3,19<br>6,94                       |                      | _                     | 25)                     | 3,140                              |                              | ,                          | 91)                   | (288)<br>(268)                     |                           | 3) (3                        | 78)                     | 3,896<br>721                 | (3,086                      | 5,912              | 17,578                                |
| 456.00    | Other electric revenue Prior year Change | 1,44<br>5,49                       | 6 2,6                | 12 5,                 | 363<br>()88)            | 3,294<br>(154                      |                              |                            | 525)                  | (20)                               | ) 4,63                    |                              |                         | 3,175<br>734,534             |                             | 3,100,84           | 2 37,238,055                          |
| ***       | Total Revenues Prior year                | 3,078,37<br>3,132,03               | 35 2,876,7           | 63 2,252,             | 043 3                   | 2,975,287<br>3,630,383<br>(655,096 | 3,188,784                    | 3,481,                     | 794                   | 3,225,978<br>3,322,144<br>(96,166  | 3,234,52                  | 2,689,0                      | )30 2,0                 | 640,790<br>93,744            | 2,957,423                   | 3 23,49            | 5 754,993                             |
|           | Change                                   | (53,65                             | 06 2,271,8           | 59 2,194              | 340                     | 2,485,40                           | 4 2,799,414                  | 4 3,117,                   | 976                   | 2,615,21 <sup>4</sup><br>2,665,958 | 3 2,403,30                | 67 2,070,                    | 901 1,                  | 987,134<br>971,638<br>15,496 | 8 2,262,41                  | 4 2,631,18         | 2 28,437,667                          |
| ***555.1  | Prior year Change                        | 2,566,2<br>(170,1                  | 82 2,495,6           | 510 2,048<br>751) 145 | ,990                    | 2,053,24<br>432,16                 | 0 503,80                     | 3 144,                     | 866                   | (50,74 <sup>4</sup>                |                           | _                            | 473)<br>573             | 7,12                         | 3 7,27                      | 7 6,2              | 14 89,828                             |
| 580.00    | Operations - Supervi                     | si 6,8<br>6,1                      | 96 7,                | 117 6                 | ,373<br>,136            | 13,50<br>7,52<br>5,98              | 0 9,07                       | 7 8                        | ,197<br>,875<br>(678) | 6,52<br>18                         | 9 7,3                     |                              | 845<br>728              | 6,96<br>16                   |                             |                    | 3,578                                 |
|           | Prior year<br>Change                     | 6                                  | 518 (1,              | 247)<br>521 3′        | 237<br>2752             | 33,29                              | 91 44,91                     | .9 47                      | ,136                  | 32,18<br>41,19                     | 1 40,8                    |                              | ,176<br>,207            | 40,68<br>41,61               | 13 35,4                     | 57 39,0            | 64 487,227                            |
| 583.00    | Overhead Line Exp<br>Prior year          | 30,9<br>22,2<br>8,1                | 293 48               | 961 2                 | ),308<br>3,444          | 39,58<br>(6,28                     | 30 61,11                     |                            | ,327<br>,809          | (9,01                              | (10,2                     | 227) 10                      | ,969                    | (92<br>1,2                   |                             | 90 1,2             | 97 14,946                             |
| 584.      | Change Underground Prior year            | 1,                                 | 000                  | 876<br>.139           | 3,121<br>1,713<br>1,408 | 1,0<br>3,0<br>(2,0                 | 68 2,0                       |                            | 990<br>1,043<br>(53)  |                                    | 76 1,                     | 060                          | ,011<br>2,218<br>1,207) | 2,9<br>(1,6                  | 68 1,7                      | 00                 | 376 20,281<br>421 (5,335              |

| Acct # 585.00 |                        | August<br>Month 1 | September<br>Month 2 | 2.00   |        |         | Month 5       | Month 6        | ) 1010  | onth 7 I | √lonth 8 |            |         |          |         |           |           |
|---------------|------------------------|-------------------|----------------------|--------|--------|---------|---------------|----------------|---------|----------|----------|------------|---------|----------|---------|-----------|-----------|
| 585.00        | Description            |                   | MOHILL               | Month  | 3      | Month 4 | Month 5       | 111011111      |         |          |          | 53         | l       | 53       | 53      | 53        | 604       |
|               | Street/signal lighting |                   |                      |        |        | 45      | 53            |                | 53      | 53       | 53       | 45         |         | 45       | 45      | 45        | 519       |
|               | Street/signal lighting | 45                | 4                    |        | 45     | 43      | 56            |                | 45      | 45       | 45       | -1.        |         | 8        | 8       | 8         | 85        |
| 586.00        |                        | 35                | 3                    | 5      | 35     | 2       | (3)           |                | 8       | 8        | 8        | •          | ,       |          |         |           | ********* |
| 586.00        | Prior year             | 10                | 1                    | 0      | 10     | Z       | (5)           |                |         |          | -0.056   | 29,87      | Q       | 36,268   | 30,934  | 21,078    | 305,605   |
| 586.00        | Change                 |                   |                      |        |        | 20.602  | 26,065        | 18,9           | 938     | 17,614   | 28,376   | 30,01      | -       | 25,045   | 23,401  | 26,629    | 293,598   |
| 586.00        |                        | 20,376            | 29,78                | 9 25   | ,597   | 20,692  | 26,433        | 25,2           |         | 17,980   | 25,230   |            |         | 11,223   | 7,533   | (5,551)   | 12,00     |
|               | Meter                  | 19,833            | 20,43                |        | ,159   | 29,221  | (368)         |                | 278)    | (366)    | 3,146    | (13        | 4)      | 11,223   |         |           |           |
|               | Prior year             | 543               | 9,3                  |        | ,438   | (8,529) | (300)         | (01-           |         |          |          | 1 4 2 7    | 0       | 14,248   | 14,742  | 14,247    | 169,72    |
|               | Change                 | 5 ,5              |                      |        |        |         | 16,176        | 15,            | 419     | 13,382   | 15,934   | 14,37      |         | 12,145   | 11,233  | 11,314    | 141,36    |
|               | - ** **                | 11,600            | 12,9                 | 79 13  | ,020   | 13,603  |               |                | 521     | 11,524   | 12,516   | 12,52      |         |          | 3,509   | 2,933     | 28,36     |
| 587.00        | Consumer Installation  | 9,763             |                      |        | ,709   | 11,767  | 16,425        |                | 898     | 1,858    | 3,418    | 1,85       | 4       | 2,103    | 5,507   |           |           |
|               | Prior year             |                   |                      |        | ,311   | 1,836   | (249)         | ۷,             | 670     | -,       |          |            |         | - # 400  | 18,681  | 15,865    | 214,64    |
|               | Change                 | 1,837             | 2,0                  | ,      |        |         |               | 10             | £10     | 14,762   | 25,594   | 24,73      |         | 15,108   |         | 23,708    | 239,31    |
|               |                        | .006              | 12,3                 | 05 1   | 3,917  | 25,754  | 17,167        |                | ,510    | 37,253   | 22,592   | 21,5       | 05      | 23,472   | 21,467  | 0.48      | (24,66    |
| 588.00        | Miscellaneous Distribu | 13,265            |                      | -      | 4,176  | 13,145  | 11,746        |                | ,336    | (22,491) | 3,002    | 3,2        |         | (8,364)  | (2,786) | (1,0-3)   | (= .,**   |
| 300.00        | Prior year             | 8,372             | _                    | •      | (259)  | 12,609  | 5,421         | (13            | ,826)   | (22,491) | 5,00-    |            |         |          |         | 102,253   | 1,265,0   |
|               | Change                 | 4,893             | 3 1,7                | 03     | (23))  | ,       |               |                |         | 0.5.027  | 119,175  | 123,7      | 89      | 114,768  | 114,341 |           | 1,268,5   |
|               | S                      |                   |                      | .a. 0  | 9,825  | 107,950 | 112,270       |                | ,243    | 85,937   | 119,900  | _          |         | 112,248  | 100,076 | 108,507   | (3,5      |
| ***           | Total Operations       | 84,09             |                      |        | 5,236  | 104,344 |               |                | ,363    | 115,406  | (725     |            |         | 2,520    | 14,265  | (6,254)   | (3,3      |
|               | Prior year             | 68,09             | 1 98,                |        |        | 3,606   |               |                | 3,120)  | (29,469) | (723     | ,,         | - "     |          |         | 2 205     | 20,5      |
|               | Change                 | 16,00             | 8 (5,                | 770) 1 | 4,589  | 5,000   |               | -              |         |          | 2,740    | 2,9        | 05      | 2,756    | 2,690   |           | 42,5      |
|               | Charge                 |                   |                      |        | 2 150  | (11,100 | 3,65          |                | 3,456   | 2,456    |          |            | )25     | 3,311    | 3,143   |           |           |
|               | Engineering & superv   | 3,28              |                      | 283    | 3,158  | 3,551   | '             |                | 3,533   | 2,441    | 4,266    |            | 120)    | (555)    | (453    | ) (1,179) | (21,9     |
| 590.00        |                        | 3,41              | 4 3,                 | 534    | 3,130  | (14,65  |               | 0)             | (77)    | 15       | (1,52)   | )) (1,     | 120)    | ( /      |         |           | 017       |
|               | Prior year             | (17               |                      | 251)   | 28     | (14,05) | (1)           | - /            |         |          | 22.74    | ı (526,    | 730)    | 72,244   | 92,604  | 105,693   | 917,3     |
|               | Change                 | `                 |                      |        |        | 38,77   | 4 (56,29      | 6) 28          | 2,541   | 595,899  | 32,74    |            | 588     | (11,782) | 42,716  | 107,653   | 625,0     |
|               | Maintenance of overh   | e 36,18           | 39 160               |        | 83,515 | -0.01   |               | -,             | 3,961   | 127,969  | 43,07    |            |         | 84,026   | 49,888  | (1,960)   | 291,      |
| 593.00        |                        | 65,2              |                      |        | 41,453 | 2.50    |               | _              | 8,580   | 467,930  | (10,33   | 0) (565,   | 310)    | 01,020   |         |           |           |
|               | Prior year             | (29,0             |                      | ,636   | 42,062 | 9,56    | 2 (101,23     | <i>-</i> ,     | •       |          |          | . 70       | 292     | 32,748   | 64,00   | 67,575    | 632,      |
|               | Change                 | (2),-             | ,                    |        |        |         | 2 50,96       | <b>S</b> 4     | 15,615  | 23,516   | 46,20    |            |         | 59,197   | 59,24   | 71,647    | 522,      |
|               | C maintai              | ns 81,5           | 77 36                | ,863   | 59,615 | -0.40   |               | ,0             | 25,966  | 28,361   | 67,52    |            | ,559    | (26,449) |         |           | ) 109,    |
| 593.10        |                        | 24,6              | , ,                  | ,757   | 31,714 |         |               |                | 19,649  | (4,845)  | ) (21,32 | .9) 23     | ,733    | (20,447  | ,       |           |           |
|               | Prior year             | 56,9              | •                    | ,106   | 27,901 | 13,85   | 5 14,12       | 2 <del>9</del> | 17,017  |          |          |            |         | 2 652    | 4,15    | 4 3,872   | 45.       |
|               | Change                 | 50,7              | 23                   | •-     |        |         | 2.5           | 00             | 3,293   | 995      | 4,9      | ,          | ,778    | 3,653    |         |           |           |
|               |                        |                   | <sup>7</sup> 20      | 1,129  | 4,635  | 5 3,03  |               |                | 9,171   | 3,197    |          |            | ,838    | 6,261    |         |           |           |
| 594.0         | 0 Mint of underground  |                   |                      | 1,348  | 8,824  | 4 7,30  |               |                |         | (2,202   |          |            | ,060)   | (2,608   | ()      | (21.12    | ,         |
| 5,            | Prior year             |                   |                      | (219)  | (4,189 |         | 37) (3,2      | 77)            | (5,878) | (2,202   | -,       |            |         |          | ,       | 51        | (2        |
|               | Change                 | (1,.              | 370)                 | (217)  | (,,    |         |               |                | (0.1(5) |          |          |            |         |          |         | 57 (5,120 | •         |
|               | -                      |                   |                      |        |        |         |               |                | (2,165) | (5,40    | 1) 4     | 72         | 132     | 447      |         | •         |           |
| 595.0         | O Transformer mainter  | nance             |                      | 262    | (6,90  | 4)      |               |                | 62      | 5,40     | ٠,       | 72)        | (132)   | (447     | 7) (3)  | 06) 5,120 | ,         |
| 373.0         | Prior year             |                   | 479                  |        | 6,90   |         | 0             | 0              | (2,227) | 2,40     | 1        | /          | •       |          |         | 73 44     | 5 4       |
|               | Change                 | (                 | 479)                 | (262)  | 0,50   | ,       |               |                |         | 20       | 7 4      | 96         | 514     | 380      |         | 15        | _         |
|               | O                      |                   |                      | 220    | 38     | 36      |               | 361            | 473     | 28       | ,        | 72         | 444     | 38       |         | · .       |           |
| 607 (         | Meter maintenance      |                   | 417                  | 332    | 42     |         |               | 340            | 497     | 40       | •        | 24         | 70      | (        | 3)      | 19 (3     | u)        |
| 597.0         | Prior year             |                   | 448                  | 402    |        |         | (14)          | 21             | (24)    | (12      | .1)      | <i>L</i> ¬ |         |          |         |           | 55 7      |
|               | Change                 |                   | (31)                 | (70)   | (2     | 40)     | \- · <i>y</i> |                |         |          |          | 516 l      | 0,217   | 8,64     | ,5 6,6  |           | -         |
|               | Charge                 |                   |                      |        | - 11   | 06 3    | 922 5,        | 267            | 5,028   | 3,59     |          |            | 8,793   | 4,64     | 10 5,1  | 62 8,23   |           |
|               | 00 Maint of miscellan  | eou: 6            | ,973                 | 6,618  | 7,69   |         |               | 069            | 7,170   | 6,33     | -        |            | 1,424   | 4,00     |         | 158 (2,66 | )))       |
|               |                        |                   | ,907                 | 5,225  | 4,9    |         |               | 802)           | (2,142) | (2,74    | 12) (    | 733)       | 1,-,2-, | .,-      |         |           |           |
| 598.          |                        |                   |                      |        | 27     | A 1 1 1 |               | ,              |         |          |          |            |         |          |         |           |           |
| 598.          | Prior year<br>Change   | 2                 | .,066                | 1,393  | 2,7    | 01 (*,  | (110)         | •              |         |          |          |            |         |          |         |           |           |

| Comparison<br>Balance | of Test Year Income Sta<br>es with those of the Prece | ding Year                     |                      | 0.1.               | November                | December                     | January                       | February                      | March                         | April                             | May<br>Month 10                         | June<br>Month 11             | July<br>Month 12     | Total                          |
|-----------------------|---|-------------------------------|----------------------|--------------------|-------------------------|------------------------------|-------------------------------|-------------------------------|-------------------------------|-----------------------------------|---|------------------------------|----------------------|--------------------------------|
|                       |   | August                        | September<br>Month 2 | October<br>Month 3 | Month 4                 | Month 5                      | Month 6                       | Month 7                       | Month 8                       | Month 9                           |   |                              | 185,435              | 1,698,665                      |
| Acct #                | Description  Total Maintenance                        | Month 1<br>133,161<br>105,269 | 210,377<br>78,044    | 159,005<br>83,578  | 79,268<br>76,301        | 7,651<br>100,979<br>(93,328) | 338,241<br>110,360<br>227,881 | 626,743<br>163,307<br>463,436 | 96,775<br>134,820<br>(38,045) | (429,024)<br>115,379<br>(544,403) | 120,432<br>62,463<br>57,969             | 170,601<br>114,766<br>55,835 |                      | 1,337,923<br>360,742           |
|                       | Prior year<br>Change                                  | 27,892                        | 132,333              | 75,427             | 2,967                   | 3,794                        | 5,510                         | 3,386                         | 3,927                         | 3,988                             | 3,825<br>3,107                          | 3,556<br>2,903               | 2,709<br>2,853       | 47,115<br>44,467               |
| 901                   | Supervision<br>Prior year                             | 3,151<br>3,983                | 3,189<br>4,363       | 3,527<br>4,089     | 6,553<br>3,899<br>2,654 | 5,745                        | 4,818                         | 2,601<br>785                  | 3,119<br>808                  | 2,987<br>1,001                    | 718                                     |                              | (144)                | 2,648                          |
|                       | Change  | (832)                         |                      | (562)              | 26,707                  |                              | 27,732                        |                               | 27,137                        |                                   | 25,679<br>25,054                        |                              | 30,804<br>20,808     | 320,435<br>308,486             |
| 902.00                | Meter reading<br>Prior year                           | 24,767<br>26,831              |                      | 29,484             | 21,865                  | 28,732                       | 25,820<br>1,912               |                               | 26,170<br>967                 |                                   | 625                                     | (5,497)                      |                      | 11,949                         |
|                       | Change  | (2,064                        |                      |                    | ,                       | 20,823                       | 19,267                        |                               |                               |                                   | 18,727<br>22,541                        | 26,956                       | 19,715<br>25,083     | 257,653<br>331,613<br>(73,960) |
| 903.00                | Consumer records & c<br>Prior year                    | 30,077<br>33,213<br>(3,136    | 31,317               | 26,930             | 28,557                  |                              |                               |                               |                               |                                   |   |                              | (5,368)<br>6,594     | 77,414                         |
|                       | Change  | 5,901                         | , .                  | ,                  | 5,99                    |                              |                               |                               |                               | 5,585                             | 5,57                                    | 3 5,407                      | 5,586                | 68,072<br>9,342                |
| 904.00                | Uncollectibles Prior year                             | 5,728<br>17:                  | 5,743                | 5,850              |                         |                              |                               |                               |                               | 2 1,101                           |   |                              |                      | 702,617                        |
| ***                   | Change Total Consumer Acco                            | ι 63,89                       | 6 59,06              |                    |                         |                              |                               | 1 52,60                       | 9 63,41                       | 9 57,343                          | 56,27                                   | 5 65,050                     | 54,330               | 752,638<br>(50,021)            |
|                       | Prior year<br>Change                                  | 69,75<br>(5,85                |                      |                    |                         |                              | 4) (9,91                      | - 40                          |                               |                                   | ,                                       | 32 2,27                      | 1,776                | 28,646                         |
| 907                   | Supervision   | 2,20<br>3,76                  | 1,10<br>66 4,20      | 4 3,33             | 6 4,13                  | 30 5,50                      | 6 3,23                        | 7 1,81                        | 7 2,28                        | 32 2,23                           | 7 1,94                                  | 18 1,955<br>34 32            |                      | 36,467<br>(7,821)              |
|                       | Prior year<br>Change                                  | (1,56                         | (3,09                |                    |                         |                              |                               | 5,38                          |                               |                                   |   |                              |                      | 57,836                         |
| 908.00                | Consumer Assistance<br>Prior year                     | 4,8                           | 96 4,58              | 3,9                | 4 3,6                   | 95 2,81                      | 0 6,00                        |                               |                               | - 25                              |   | 59 3,69                      | 7 2,043              |                                |
|                       | Change  | 1,7                           |                      |                    |                         | 778 1,37                     | 79 8.                         | 26 2,7                        |                               |                                   |   | 91 1,32                      | .6 732               | 14,585                         |
| 909.00                | Information and instr<br>Prior year                   | 6                             | 26 1,4               | 85 3,1             | 09 1,5                  | 592 (1,95<br>186 3,35        |                               | 04 1,6<br>22 1,1              |                               | 00                                | )1 1                                    | 24 34                        |                      |                                |
|                       | Change  |                               |                      | .23 8              |                         | 726 1,4                      |                               |                               |                               | )29 3,63                          | 34                                      | 560 1,43<br>598 1,10         |                      | 18,642                         |
| 909.00                | Information and inst<br>Prior year<br>Change          | 5                             | 597 2,2              |                    |                         | 536 1,1<br>190 3             |                               | 311) 1,1                      | .41 6                         |                                   | ) · · · · · · · · · · · · · · · · · · · | 862 2°<br>097 15,0           |                      | 9 156,451                      |
| ***                   | Total Customer Ser                                    | vic 11,0                      |                      |                    |                         | 226 10,8<br>953 7,4          | 169 10,5                      | 987 8,7                       | 706 11,3                      |                                   | 23 7.                                   | 968 10,4<br>129 4,6          | 12 12,80             |                                |
|                       | Prior year<br>Change                                  |                               |                      | 945) (1,           | 495) 6,                 | 273 3,3                      |                               | • • •                         | 167                           | 601                               | 94                                      | 205                          | 257 17<br>383 32     |                                |
| 912.00                | Demonstration Prior year Change                       |                               |                      | 845) 1,            | 396                     | 565 1,0                      | 056 (1,                       | 111) 1,                       | 458                           | 300                               | 143<br>249)                             |                              | 126) (1 <sup>4</sup> |                                |

| Balanc | n of Test Year Income States with those of the Prece | August   | September       | October | November<br>Month 4 | December<br>Month 5 | January<br>Month 6 | February<br>Month 7 | March<br>Month 8 | April<br>Month 9 | May<br>Month 10  | June<br>Month 11 | July<br>Month 12 | Total             |
|--------|--|----------|-----------------|---------|---------------------|---------------------|--------------------|---------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Acct # | Description  | Month 1  | Month 2         | Month 3 | Monn                |                     |                    | 1.67                | 601              | 194              | 203              | 257              | 175              | 3,354             |
|        |  | 259      | 69              | 1,044   | 450                 | 1,403               | (1,468)            | 167<br>1,458        | 300              | 443              | 280              | 383              | 323              | 4,540<br>(1,186)  |
| ***    | Total Sales  | 292      | (845)           | 1,396   | 565                 | 1,056               | (1,111)            |                     | 301              | (249)            | (77)             | (126)            | (148)            | (1,180)           |
|        | Prior year   | (33)     | *               | (352)   | (115)               | 347                 | (357)              | (1,271)             | _                |                  |                  | 21 607           | 18,691           | 217,351           |
|        | Change   | (33)     |                 |         | 14 222              | 14,523              | 18,091             | 16,679              | 17,263           | 23,920           | 20,396           | 21,697<br>13,765 | 23,736           | 209,488           |
| 000.00 | Administrative salaries                              | 19,944   | 13,212          | 18,613  | 14,322<br>17,137    | 28,478              | 17,399             | 14,437              | 13,372           | 15,994           | 14,116           | 7,932            | (5,045)          | 7,863             |
| 920.00 | Prior year   | 18,260   | 17,544          | 15,250  | (2,815              |                     |                    | 2,242               | 3,891            | 7,926            | 6,280            | 1,552            | (-1 /            |                   |
|        | Change   | 1,684    | (4,332)         | 3,363   | (2,013              | (15,750)            |                    |                     |                  | 1,675            | 1,174            | 2,142            | 1,532            | 19,783            |
|        | · ·  |          | 1 256           | 2,148   | 1,456               | 1,568               | 2,295              | 1,981               | 1,188            | 1,884            | 1,328            |                  | 1,706            | 15,652            |
| 921.00 | Office supplies & exp                                | 1,368    |                 | 1,373   | 1,137               |                     | 2,019              | 1,964               | 1,701<br>(513)   |                  |                  |                  | (174)            | 4,131             |
|        | Prior year   | 2,244    |                 |         |                     |                     | 276                | 17                  | (313)            | (20)             | •                |                  | 000              | 215 210           |
|        | Change   | (876     | ) (130)         |         |                     |                     | 10.407             | 5,510               | 27,292           | (4,203)          | 18,309           | 20,143           | 32,990           | 215,319<br>45,396 |
|        | a 21   | 5,598    | 10,417          | 49,932  | 33,954              |                     |                    |                     | 9,280            |                  | 4,680            |                  | 5,265<br>27,725  | 169,923           |
| 923.00 | Outside services                                     | 3,179    |                 | 1,490   | 2,823               |                     |                    |                     | 18,012           |                  | 13,629           | 18,054           | 21,123           | 107,725           |
|        | Prior year   | 2,419    |                 | 48,442  | 31,13               | 1 (6,537            | ) 14,700           | 5,100               |                  |                  |                  |                  |                  | (2,214)           |
|        | Change   |          |                 |         |                     |                     |                    |                     |                  |                  | 893              | 4,660            | (3,340)          | 2,213             |
| 925.00 | Injuries & damanges                                  | (2,214   | 1)              |         |                     |                     |                    |                     |                  |                  |                  |                  |                  | (4,427)           |
| 923.00 | Prior year   |          |                 | (       | 1                   | 0 0                 | , (                | ) (                 | C                | 0                | (0)-             | (,,===           | ,                | _                 |
|        | Change   | (2,21    | 4) 0            | ,       | ,                   |                     |                    | Z1 :                | `                |                  |                  | 96               | (96)             | 0                 |
|        |  |          |                 |         |                     |                     | 1                  | 4 (14               | ·)               |                  |                  |                  | (0.0)            | (1)<br>1          |
| 926.00 | Employee benefits                                    | 13       | 3 (136          | ) (     | 3) (11              |                     |                    | 4 (14               | D (              | ) (              | )                | 0 96             | (96)             | 1                 |
|        | Prior year   | (13      |                 | •       | 3 11                | .5 (120             | )) 1               | 4 (1-               | • )              |                  | _                | 0.4.53/          | 20,579           | 164,684           |
|        | Change   | (15      | -,              |         |                     | 11 8,54             | 3 4,26             | 2 5,09              | 7,09             |                  |                  |                  |                  | 156,851           |
| 020.0  | Miscellaneous general                                | 28,55    | 5 28,267        |         |                     |                     |                    | _                   | 12,13            |                  | (4.00            |                  |                  |                   |
| 930.2  | Prior year   | 12,28    | 8 7,782         |         |                     |                     |                    |                     | 5) (5,04         | 0) (5,84         | 7) (3,27         | 0) (4,70         | , (-1, ,         |                   |
|        | Change   | 16,26    | 20,485          | 5 6,52  | .5 1,5              | .,                  | •,                 |                     |                  | 5 10,84          | 2 10,94          | 9,95             | 9 10,872         | 126,539           |
|        | _  |          | 707             | 2 10,93 | 4 10,8              | 77 10,86            | 8 10,85            |                     |                  |                  |                  |                  |                  | 129,357           |
| 930.21 | Dues associated organ                                | n) 10,86 |                 |         |                     |                     | 4 10,48            |                     |                  |                  | _                |                  |                  | (2,818)           |
|        | Prior year   | 10,40    | 96 (2,51)       |         | _                   | 39 70               | 14 30              | 57 17               | / 1-             |                  | •                |                  |                  | 89,233            |
|        | Change   | ):       | 90 (2,51        | ,,      |                     |                     | - 70               | 26 4,18             | 4 7,02           | 7,69             | 8 4,0            |                  |                  |                   |
|        | m Carand over  | ne 9,5   | 03 7,55         | 5 8,7   | 89 7,5              |                     |                    |                     |                  |                  | 1 7,63           |                  |                  |                   |
| 930.30 | Director fees and exp                                | 7,8      |                 |         |                     |                     |                    | 19 (1,38            |                  |                  | 7 (3,6           | 35) 6,38         | (3,470           | ) (312.0)         |
|        | Prior year<br>Change                                 | 1,6      |                 | 9) 2,5  | 94 (1,1             | (39)                | ,0)                | .,                  |                  |                  | - m A            | 75 47            | 75 475           | 5,700             |
|        | Change   |          |                 |         | ae ,                | 175 4°              | 75 4               |                     | -                | 75 47            |                  | 75 47            |                  | 5,600             |
| 931.00 | Rents  |          | 75 47           | -       |                     | 175                 | 75 4               | 75 4                |                  | 75 47            | /5 <sup>-4</sup> | 0                | 0 0              | ) 100             |
| 731.00 | Prior year   | 4        | 150 45          |         | 25                  | 25                  | 0                  | 0                   | 0                | 0                | U                |                  |                  |                   |
|        | Change   |          | 25              | 23      |                     |                     |                    | 3.0                 | 33 5,9           | 92 10,63         | 20 5,9           | 91 7,2           |                  |                   |
|        |  | 2 (      | 5,78            | 89 11,3 | 116 (1,             | 145) 8,7            |                    | 241 3,9<br>397 9,2  |                  |                  | 04 3,5           | 4,8              | 52 7,208         |                   |
| 935.00 | Maint general plant                                  |          | 548 6,24        | 46 4,8  | 343 2,              | 910 3,0             |                    |                     |                  |                  |                  | 178 2,3          | 97 10,178        | 5 2,074           |
|        | Prior year   |          |                 | 57) 6,4 | 173 (4,             | 055) 5,6            | 43 (3,0            | 556) (5,3           | · , (-··         | •                |                  |                  |                  | 6,244             |
|        | Change   | (-       | ,               |         |                     |                     | 3                  |                     |                  |                  |                  | 225) (0          | 98) (3,01        |                   |
|        |  | ng 6'    | 244             |         | (3)                 | 920 (5.3            | 390) (5,           | 730) 3,8            | 29               |                  | -                | ,                | 98 3,01          | ,                 |
| 000.00 | n Payroll hours clear i                              | 115      |                 |         |                     |                     |                    |                     |                  |                  |                  |                  |                  |                   |
| 999.00 | Payroll hours clearing Prior year                    |          | (9,8<br>244 9,8 | ,       |                     |                     |                    | 730 (3,8            | 329)             | 0                | 0                | 335              | 2,1              |                   |

| Exhibit          | Χ   |
|------------------|-----|
| page of          | 7   |
| Witness: Jim Adk | ins |

| Acct#  | Description  | August<br>Month 1 | September<br>Month 2 | October<br>Month 3 | November<br>Month 4 | December<br>Month 5 | January<br>Month 6 | February<br>Month 7 | March<br>Month 8 | April<br>Month 9 | May<br>Month 10 | June<br>Month 11 | July<br>Month 12 | Total      |
|--------|--|-------------------|----------------------|--------------------|---------------------|---------------------|--------------------|---------------------|------------------|------------------|-----------------|------------------|------------------|------------|
| ***    | The section of the se | 83,391            | 74,803               | 112,830            | 73,918              | 50.124              | 70,541             | 48,697              | 77,173           | 59,724           | 73,682          | 97,821           | 107,092          | 929,796    |
| ***    | Total Administrative &   | 58,562            | 45,332               | 49,771             | 58,548              | 57,408              | 57,697             | 57,601              | 63,786           | 73,684           | 58,673          | 73,557           | 80,356           | 734,975    |
|        | Prior year<br>Change   | 24,829            | 29,471               | 63,059             | 15,370              | (7,284)             | 12,844             | (8,904)             | 13,387           | (13,960)         | 15,009          | 24,264           | 26,736           | 194,821    |
|        | Change   | 24,027            | 25,41                | 05,055             | 10,0                | (,,== ,)            |                    | ( ) ,               |                  |                  |                 |                  |                  |            |
| 403.60 | Distribution depreciati  | 144,968           | 145,305              | 145,790            | 146,187             | 146,781             | 146,984            | 147,469             | 147,786          | 148,108          | 148,424         | 149,185          | 149,516          | 1,766,503  |
| 403.00 | Prior year   | 138,778           | 139,569              | 140,008            | 140,362             | 140,749             | 141,146            | 142,228             | 142,656          | 143,211          | 143,714         | 144,342          | 144,492          | 1,701,255  |
|        | Change   | 6,190             | 5,736                | 5,782              | 5,825               | 6,032               | 5,838              | 5,241               | 5,130            | 4,897            | 4,710           | 4,843            | 5,024            | 65,248     |
|        |  |                   |                      |                    |                     |                     |                    |                     |                  | 5.260            | 5 260           | 5 260            | 5,389            | 63,209     |
| 403.70 | General depreciation   | 5,205             | 5,205                | 5,231              | 5,232               | 5,233               | 5,233              | 5,196               | 5,205            | 5,360            | 5,360           | 5,360<br>5,197   | 5,369<br>5,196   | 62,497     |
|        | Prior year   | 5,223             | 5,223                | 5,223              | 5,223               | 5,223               | 5,226              | 5,185               | 5,185            | 5,196<br>164     | 5,197<br>163    | 163              | 193              | 712        |
|        | Change   | (18)              | (18)                 | 8                  | 9                   | 10                  | 7                  | 11                  | 20               | 104              | 103             | 105              | 173              | , 12       |
|        |  | 150 150           | 150 510              | 151 021            | 151 410             | 152,014             | 152,217            | 152,665             | 152,991          | 153,468          | 153,784         | 154,545          | 154,905          | 1,829,712  |
| ***    | Total Depreciation   | 150,173           | 150,510              | 151,021<br>145,231 | 151,419<br>145,585  | 145,972             | 146,372            | 147,413             | 147,841          | 148,407          | 148,911         | 149,539          | 149,688          | 1,763,752  |
|        | Prior year   | 144,001<br>6,172  | 144,792<br>5,718     | 5,790              | 5,834               | 6,042               | 5,845              | 5,252               | 5,150            | 5,061            | 4,873           | 5,006            | 5,217            | 65,960     |
|        | Change   | 0,172             | 5,710                | 3,770              | 3,03 .              | 5,0.2               | -,                 |                     | ,                | •                |                 |                  |                  |            |
| 408.70 | Regulatory   | 2,884             | 2,884                | 2,884              | 2,884               | 2,884               | 2,972              | 2,972               | 2,972            | 2,972            | 2,972           | 2,972            | 2,972            | 35,224     |
| 400.70 | Prior year   | 2,645             | 2,645                | 2,645              | 4,067               | 4,067               | 2,884              | 2,884               | 2,884            | 2,884            | 2,884           | 2,884            | 2,884            | 36,257     |
|        | Change   | 239               | 239                  | 239                | (1,183)             | (1,183)             | 88                 | 88                  | 88               | 88               | 88              | 88               | 88               | (1,033)    |
|        | J. Comments  |                   |                      |                    |                     |                     |                    |                     |                  | 2.072            | 2.072           | 2,972            | 2,972            | 35,224     |
| ***    | Total Tax Expense - O  | 2,884             | 2,884                | 2,884              | 2,884               | 2,884               | 2,972              | 2,972               | 2,972            | 2,972<br>2,884   | 2,972<br>2,884  | 2,884            | 2,884            | 36,257     |
|        | Prior year   | 2,645             | 2,645                | 2,645              | 4,067               | 4,067               | 2,884              | 2,884               | 2,884<br>88      | 2,884            | 2,004           | 2,004            | 2,884            | (1,033)    |
|        | Change   | 239               | 239                  | 239                | (1,183)             | (1,183)             | 88                 | 88                  | 00               | 00               | 80              | 86               | 00               | (1,055)    |
|        | DITO:  | 40 170            | 60,500               | 60,500             | 44,615              | 53,514              | 69,361             | 44,978              | 67,997           | 69,361           | 33,346          | 70,725           | 69,361           | 692,437    |
| 427.10 | RUS interest   | 48,179<br>51,369  | 56,800               | 56,800             | 48,217              | 56,800              | 60,500             | 35,740              | 60,500           | 60,500           | 53,173          | 60,500           | 60,500           | 661,399    |
|        | Prior year   | (3,190)           | ,                    | 3,700              | (3,602)             | ,                   | 8,861              | 9,238               | 7,497            | 8,861            | (19,827)        | 10,225           | 8,861            | 31,038     |
|        | Change   | (3,170)           | 5,700                | 5,700              | (5,552)             | (=1)                | .,                 | •                   |                  |                  | •               |                  |                  |            |
| 427.20 | CFC interest   | 20,274            | 21,600               | 21,600             | 19,462              | 21,600              | 16,440             | 2,194               | 16,440           | 16,440           | 28,185          | 16,440           | 16,440           | 217,115    |
| 127.20 | Prior year   | 20,652            | 23,050               | 23,050             | 19,839              | 23,050              | 21,600             | 20,462              | 21,600           | 21,600           | 21,072          | 21,600           |                  | 259,175    |
|        | Change   | (378)             | (1,450)              | (1,450)            | (377)               | (1,450)             | (5,160)            | (18,268)            | (5,160)          | (5,160)          | 7,113           | (5,160)          | (5,160)          | (42,060)   |
|        | •  |                   | *                    |                    |                     |                     | <b>50.010</b>      | 50.010              | C5 010           | 50.010           | 58.919          | 67,026           | 58,919           | 743,259    |
| 427.30 | FFB interest   | 61,600            | 65,900               | 61,600             | 61,600              | 65,019              | 58,919             | 58,919              | 65,919<br>66,691 | 58,919<br>61,600 | 61,600          | 65,815           |                  | 757,406    |
|        | Prior year   | 66,500            | 59,126               | 66,500             | 66,500              | 58,274              | 61,600             | 61,600<br>(2,681)   | -                | (2,681)          |                 |                  | (2,681)          | (14,147)   |
|        | Change   | (4,900)           | 6,774                | (4,900)            | (4,900)             | 6,745               | (2,681)            | (2,001)             | (112)            | (2,001)          | (2,001)         | 1,211            | (2,001)          | (- ',- '') |
| ***    | Transference Tomo  | 130,053           | 148,000              | 143,700            | 125,677             | 140,133             | 144,720            | 106,091             | 150,356          | 144,720          | 120,450         | 154,191          | 144,720          | 1,652,811  |
| ***    | Total Interest on Long-  | 130,033           | 138,976              | 145,700            | 134,556             | 138,124             | 143,700            | 117,802             | 148,791          | 143,700          | 135,845         | 147,915          | 143,700          | 1,677,980  |
|        | Prior year<br>Change   | (3,568)           |                      | (2,650)            | •                   |                     | 1,020              | (11,711)            | 1,565            | 1,020            | (15,395)        | 5,065            | 3,701            | (25,169)   |
|        | Change   | (3,500)           | , ,,,,,,             | (-,)               | ( )                 | Ý                   |                    | •                   |                  |                  |                 |                  |                  |            |
| 431.00 | Short-term loans   |                   |                      |                    | 1,946               | 2,767               | 2,035              | 2,762               | 2,314            | 4,227            | 4,638           | 5,552            | 6,412            | 32,653     |
| ,,,,,, | Prior year   |                   |                      |                    |                     | 970                 | 1,724              | 1,576               | 1,674            | 184              |                 |                  | 6 410            | 6,128      |
|        | Change   | 0                 | 0                    | 0                  | 1,946               | 1,797               | 311                | 1,186               | 640              | 4,043            | 4,638           | 5,552            | 6,412            | 26,525     |
|        |  |                   |                      |                    | . 500               | 1.041               | 1.070              | 1 714               | 1 000            | 1,850            | 1,880           | 1.817            | 1,891            | 22,169     |
| 431.10 | Interest - customer dep  |                   |                      | 1,908              | 1,793               | 1,841               | 1,870              | 1,714<br>1,770      | 1,883<br>1,942   | 2,073            | 1,863           | 1,817            |                  | 22,442     |
|        | Prior year   | 1,951             |                      | 1,865              | 1,783<br>10         | 1,847               | 1,867<br>3         | (56)                |                  |                  |                 | 1,500            |                  | (273)      |
|        | Change   | (69)              | ) 39                 | 43                 | 10                  | (6)                 | 3                  | (50)                | (37)             | (223)            |                 | **               |                  | · - /      |

Exhibit X page of 7 Witness: Jim Adkins

|        | es with those of the Preced                     | August<br>Month l                 | September<br>Month 2                    | 0.000                               |                                     | December<br>Month 5               | January<br>Month 6                | February<br>Month 7                | March<br>Month 8                   | April<br>Month 9                    | May<br>Month 10         | June<br>Month 11        | July<br>Month 12               | Total                                 |
|--------|---|-----------------------------------|---|-------------------------------------|-------------------------------------|-----------------------------------|-----------------------------------|------------------------------------|------------------------------------|-------------------------------------|-------------------------|-------------------------|--------------------------------|---------------------------------------|
| Acct # | Total Interest - Other<br>Prior year            | 1,882<br>1,951<br>(69)            | 1,840<br>1,801<br>39                    | 1,908<br>1,865<br>43                | 3,739<br>1,783<br>1,956             | 4,608<br>2,817<br>1,791           | 3,905<br>3,591<br>314             | 4,476<br>3,346<br>1,130            | 4,197<br>3,616<br>581              | 6,077<br>2,257<br>3,820             | 6,518<br>1,863<br>4,655 | 7,369<br>1,806<br>5,563 | 8,303<br>1,874<br>6,429        | 54,822<br>28,570<br>26,252            |
| 416.10 | Change  Merchandising  Prior year               | 373<br>612                        | 342<br>386                              | 586<br>374<br>212                   | 397<br>310<br>87                    | 428<br>447<br>(19)                | 626<br>556<br>70                  | 540<br>521<br>19                   | 338<br>473<br>(135)                | 443<br>445<br>(2)                   | 320<br>431<br>(111)     | 584<br>692<br>(108)     | 418<br>465<br>(47)             | 5,395<br>5,712<br>(317)               |
| 421.10 | Change  Gain on disposition  Prior year  Change | (239)<br>(20,000)<br>20,000       | ·                                       | 0                                   | 0                                   | 118,827<br>(2,000)<br>120,827     | 0                                 | 0                                  | 0                                  | (14,000)<br>14,000                  | 0                       | (27,000)<br>27,000      | (8,117)<br>(27,000)<br>18,883  | 110,710<br>(90,000)<br>200,710        |
| 426.5  | Donations Prior year Change                     | 653<br>88<br>565                  | 1,535<br>1,706<br>(171)                 | 371<br>44<br>327                    | 35<br>35                            | 44<br>344<br>(300)                | 146<br>356<br>(210)               | 35<br>129<br>(94)                  | 44<br>44                           | 344<br>209<br>135                   | 188<br>(188)            | 136<br>40<br>96         | 218<br>218<br>0                | 3,561<br>3,322<br>239                 |
| ***    | Total Other Deduction Prior year Change         | 1,026<br>(19,300<br>20,326        | ) 2,092                                 | 957<br>418<br>539                   | 432<br>310<br>122                   | 119,299<br>(1,209)<br>120,508     | 772<br>912<br>(140)               | 575<br>650<br>(75)                 | 382<br>473<br>(91)                 | 787<br>(13,346)<br>14,133           | 320<br>619<br>(299)     |                         | (7,481)<br>(26,317)<br>18,836  | 119,666<br>(80,966)<br>200,632        |
| ***    | Total Cost of Electric ! Prior year Change      | 3,057,953<br>3,145,954<br>(88,001 | 3,085,611                               | 2,938,001<br>2,643,818<br>294,183   | 3,106,466<br>2,650,332<br>456,134   | 3,460,746<br>2,951,035<br>509,711 | 4,012,368<br>3,638,926<br>373,442 | 3,710,134<br>3,337,140<br>372,994  | 3,043,553<br>3,100,577<br>(57,024) | 2,183,300<br>2,721,831<br>(538,531) |                         | 2,902,534<br>118,786    | 3,351,993<br>(338,974)         | 37,218,600<br>36,089,418<br>1,129,182 |
| ****   | Operating Margins Prior year Change             | 20,426<br>(13,919<br>34,345       | (208,848)                               | (501,043)<br>(391,775)<br>(109,268) | (131,179)<br>980,051<br>(1,111,230) | 237,749                           | 176,981<br>(157,132)<br>334,113   | (484,156)<br>(14,996)<br>(469,160) | ) 133,949                          | (32,801                             | 81,123                  | 54,889                  | 87,823<br>(274,646)<br>362,469 | •                                     |
| 418.10 | Subsidiary income<br>Prior year<br>Change       | ţ                                 | ე 0                                     | 0                                   | 0                                   | 50,722<br>2,399<br>48,323         |                                   | 0                                  | 0                                  |                                     |                         |                         | 0                              | 2,399<br>48,323<br>47,984             |
| 419.00 | Interest income Prior year Change               | 6,909<br>21,07<br>(14,16          | 4 16,472                                | 5,849<br>15,820<br>(9,971)          | 4,244<br>11,610<br>(7,366)          | 9,422                             | 5,979                             | 7,841                              | 6,606                              | 7,280                               | 7,463                   | 3 7,587<br>1) (4,172    | 6,830<br>(3,823                | 123,984<br>(76,000)                   |
| ***    | Total Non Operating N<br>Prior year<br>Change   | 6,90<br>21,07<br>(14,16           | 4 16,472                                | 5,849<br>15,820<br>(9,971           | 4,244<br>11,610<br>(7,366           | 11,821                            | 5,979                             | 7,841                              | 6,606                              | 7,280                               | 7,463                   | 7,587                   | 6,830                          | 126,383                               |
| 424.40 | Patonage capital - Eas<br>Prior year            |                                   | 0 0                                     | . 0                                 | C                                   | 350,180<br>350,180                |                                   | )                                  | 0                                  | 0                                   | 0                       | 0                       | ) (                            | 0                                     |
| ***    | Change Total G & T Capital ( Prior year Change  |                                   | 0 | 0                                   | (                                   | )                                 | ) (                               | )                                  | 0                                  | 0                                   | 0                       | 0                       | 0 (0                           | ) . 0                                 |

Exhibit X page of 7 Witness: Jim Adkins

| Balances with those of the Preceding Teal |   |                           |                              |                                     |                     |                     |                                 | a21                             | May                               | June                           | July                      |                            |                                |                                |
|---|---|---------------------------|------------------------------|-------------------------------------|---------------------|---------------------|---------------------------------|---------------------------------|-----------------------------------|--------------------------------|---------------------------|----------------------------|--------------------------------|--------------------------------|
|   |   | August                    | September<br>Month 2         | October<br>Month 3                  | November<br>Month 4 | December<br>Month 5 | January<br>Month 6              | February<br>Month 7             | March<br>Month 8                  | April<br>Month 9               | Month 10                  | Month 11                   | Month 12                       | Total                          |
| Acct #                                    | Description                             | Month 1                   | Month 2                      | Mondia                              | •                   |                     |                                 | 16.616                          |                                   |                                |                           | 6,352                      | 1,966                          | 91,685                         |
| 424.10                                    | Patronage capital - other<br>Prior year | . 0                       | 36,834<br>57,999<br>(21,165) | 0                                   | 0                   | 29,917<br>29,917    | 6,986<br>(6,986)                | 16,616<br>14,156<br>2,460       | 10,425<br>(10,425)                | (80)<br>80                     | 0                         | 6,352                      | 1,966                          | 89,486<br>2,199                |
| ***                                       | Change Total Other Patronage            | 0                         | 36,834                       | 34 0                                | 0                   | 29,917              | 0<br>6,986                      | 16,616<br>14,156 10,4           | 0<br>10,425                       |                                | 0<br>0<br>0               | 6,352<br>0<br>6,352        | 1,966<br>0<br>1,966            | 91,685<br>89,486<br>2,199      |
|   | Prior year Change                       | 0<br>0                    | 57,999<br>(21,165)           | 0                                   | 0                   | 29,917              | (6,986)                         | 2,460                           | * ',,                             |                                |                           |                            |                                |                                |
| *****                                     | Net Margins<br>Prior year<br>Change     | 27,335<br>7,155<br>20,180 |                              | (495,194)<br>(375,955)<br>(119,239) | 991,661             | 249,570             | 180,137<br>(144,167)<br>324,304 | (464,542)<br>7,001<br>(471,543) | (274,442)<br>150,980<br>(425,422) | 642,300<br>(25,601)<br>667,901 | 89,892<br>88,586<br>1,306 | 75,103<br>62,476<br>12,627 | 92,796<br>(267,816)<br>360,612 | 560,026<br>609,513<br>(49,487) |

SHELBY ENERGY COOP. INC. PRG. TRBALSUM

#### SUMMARIZED ACCOUNT TRIAL BALANCE FROM 01/09 TO 07/09

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| ACCOUNT  | DESCRIPTION   | AMOUNT   |
|--|---|--|
| 107.20<br>107.28<br>108.60<br>108.70<br>108.80<br>108.88<br>123.10<br>123.20<br>123.22<br>123.22 | CONSTRUCTION WORK IN PROGRESS CONSTRUCTION OVERHEAD INDIRECT ACC PROVISON FOR DEPR-DIST PLANT ACC PROVISION FOR DEPR-GEN.PLANT RETIREMENT WORK IN PROGRESS RETIREMENT OVERHEAD INDIRECT INVEST IN ASSOC ORG PATR CAP EKP INVEST IN ASSOC ORG PTR CAP KAEC INVESTMENTS CAPITAL TRM CERT.CFC OTHER INVEST.IN ASSOC.ORGANIZATN | 498,795.58<br>0.00<br>9,689,799.37-<br>1,678,563.23-<br>32,359.28<br>0.00<br>6,371,937.10<br>38,787.05<br>648,806.72<br>8,700.00 |
| 123.24<br>123.25<br>123.30<br>123.40   | OTHER INVEST ENVISION ENERGY SER EQUITY INVESTMENT - C.R.C. INVEST ASSOC ORG PAT CAP U.U.S. INVEST ASSOC ORG PAT CAP C.F.C.   | 25,000.00<br>20,000.00<br>328,813.08<br>149,722.45<br>5,827.94   |
| 123.42<br>123.60<br>123.65<br>123.90<br>123.91   | INVEST ASSOC ORG PAT CAP C.R.C. INVEST ASSOC ORG PAT CAP NISC INVEST ASSOC ORG PAT CAP SEDC INVEST RUS RURAL ECONOMIC DEVMNT INVEST SUBSID. S E S EARNINGS  | 33,027.07<br>31,788.61<br>451,000.00<br>552,963.77-  |
| 123.92<br>124.00<br>124.10<br>131.00<br>131.10   | INVEST SUBSID. SES CAPITAL STOCK OTHER INVESTMENTS INVESTMENT-CFC MEMBER CAP. SEC. CASH-PAYROLL-CITIZENS UNION BANK CASH-GEN.FNDS-CITIZENS UNION BNK  | 1,379,000.00<br>66,008.42<br>25,000.00<br>0.01<br>1,140,035.55   |
| 131.13<br>131.20<br>131.30<br>131.40<br>131.60   | CASH-ECON.DEV.COOP FUND-C.U.B<br>CASH-RUS / CFC CONSTRUCTION FUND<br>CASH-GEN.FND-BEDFORD LN / DEP.BK<br>CASH - TRANSFER OF FUNDS<br>CASH-CAPITAL CREDIT REFUNDS  | 158,839.50<br>0.00<br>25,772.88<br>56,000.00<br>4,592.34   |
| 134.00<br>135.00<br>136.30<br>142.00   | OTHER SPECIAL DEPOSITS WORKING FUNDS - PERMANENT TEMP CASH INVEST CFC COM PAPER ACCOUNTS RECEIVABLE - CONSUMERS LOAD MANAGEMENT CREDITS   | 425.00<br>4,550.00<br>930,613.22<br>3,459,957.07<br>25.00  |
| 142.42<br>143.00<br>143.10<br>143.11<br>143.13   | ACCOUNTS RECEIVABLE - OTHER ACCOUNTS RECEIVABLE - ACRE CONT. ACCT REC-SHELBY ENERGY SERVICES ACCOUNTS REC - OTHER - MEDICAL   | 123,478.91<br>1,209.64-<br>2,500.81<br>991.94-   |
| 143.14<br>143.20<br>143.21<br>143.40<br>143.50   | ACCT.REC-OTHER-EMPLOYEE PURCHASE<br>ACCT REC-OTHER GROUP INS & 401K<br>ACCOUNTS REC - OTHER - RETIREES<br>ACCOUNTS RECEIVABLE-MATERIAL SLD<br>ACCOUNTS RECEIVABLE VOUCHERS  | 273.34-<br>55.61<br>686.24-<br>134.83-<br>818.14   |
| 143.60<br>143.81<br>144.10<br>144.11<br>154.00<br>155.10   | ACCOUNTS RECEIVABLE - F.E.M.A. DIRECTOR AND ATTY-GUEST REIMBRMT ACCUM PROV UNCOLLECT RES/SM COM ACCUM PROV FOR UNCOLL LG POWER MATERIAL AND SUPPLIES - ELECTRIC MERCHANDISE RESALE MARKETING PGM  | 428,602.77<br>0.00<br>10,129.81<br>342,541.38-<br>294,180.63<br>1,151.09   |

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| ACCOUNT  | DESCRIPTION   | AMOUNT   |
|--|---|--|
| 163.00<br>165.10<br>165.20<br>165.30<br>171.00<br>184.10<br>184.30<br>186.30<br>201.10<br>201.20<br>208.00<br>208.20<br>215.31<br>217.00<br>219.10<br>219.20<br>219.21<br>224.32<br>224.40<br>224.32<br>224.40<br>224.60<br>228.30<br>228.31<br>228.32<br>228.34<br>232.10<br>232.11<br>232.12<br>232.90<br>235.00<br>236.40<br>236.61<br>236.61<br>236.62 | STORES EXPENSE CLEARING ACCOUNT PREPAID INSURANCE OTHER PREPAYMENTS PREPAID SALES AND USE TAX INTEREST AND DIVIDEND RECEIVABLE TRANSPORTATION CLEARING ACCOUNT HEAVY WORK EQUIP CLEARING ACCT MANAGEMENT AUDIT PROJECT  | 0.00 20,287.77 20,559.11 33,251.33 9,436.30 0.00 0.00 107,694.84 23,974,183.07- 647,648.24 417,883.00- 232,402.09- 170,612.31- 419,038.00 161,431.20- 443,248.05- 543,895.92- 237,952.61- 3,793,468.69- 24,893,335.34- 15,628,163.51- 9,808,000.00 2,464.28 1,898,023.20- 355.26 80.94- 151,516.04- 221.93- 4,302,333.00- 2,002.61- 386,110.00- 120,644.81- 41.22- 0.00 57.81- 61,316.98- 55,811.73- |
| 236.61   | SHELBY COUNTY SCHOOL TAX HENRY COUNTY SCHOOL TAX TRIMBLE COUNTY SCHOOL TAX  | 55,811.73-<br>16,670.77-<br>11,754.22-   |
| 236.64<br>236.65<br>236.66<br>236.67<br>236.68<br>236.69<br>236.71<br>236.72<br>236.73   | CARROLL COUNTY SCHOOL TAX  EMINENCE SCHOOL TAX  SPENCER COUNTY SCHOOL TAX  ANDERSON COUNTY SCHOOL TAX  FRANKLIN COUNTY SCHOOL TAX  FRANCHISE TX - SIMPSONVILLE  FRANCHISE TX-S'VILLE-RES AND COM  FRANCHISE TX-S'VILLE-LARGE POWER  FRANCHISE TAX - CAMPBELLSBURG | 2,349.49-<br>112.37-<br>167.70-<br>26.21-<br>17.73-<br>872.17-<br>2,257.96-<br>4,718.16-<br>694.61-  |
|  |   | 034.01-  |

SHELBY ENERGY COOP. INC. PRG. TRBALSUM

### SUMMARIZED ACCOUNT TRIAL BAL.... E FROM 01/09 TO 07/09

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|         | FROM 01/09 TO 07/09  |               |
|---------|--|---------------|
|         | t KOM 027 05   | AMOUNT        |
|         | PECCETETION  | 111200        |
| ACCOUNT | DESCRIFTION  | 42 350 32-    |
| ACCOON  | TONIES DONIES  | 43,333.32     |
|         | DISCRETIONARY ANNUAL BONGS   | 31,140.33     |
| 236.80  | INTEREST ACCRUED-RUS OBLIGHTON   | 58,919.00-    |
| 237.10  | INTEREST ACCRUED FFB OBLIGATION  | 6,411.54      |
| 237.11  | OTHER INTEREST ACCRUED   | 11,280.00-    |
| 237.30  | INTEREST ACCRUED CFC OBLIGATION  | 11,588.92-    |
| 237.40  | TAMEREST ACCRUED CONS. DEPOSITS  | 0.00          |
| 237.50  | TOTAL TEDERAL INCOME TAX EMPLOYEE  | 0.00          |
| 241.00  | ACC. FINDER INCOME TAX EMPLOYEE  | 1,163.60-     |
| 241.10  | ACC STATE EMPLOYEE OCCUPATIONAL TX   | 0.00          |
| 241.20  | ACCRUED LIABILITS  | 0.00          |
| 242.00  | MISC CURRENG ACCOUNT   | 118.285.05-   |
| 242.01  | PAYROLL CLEARTON   | 1 347.32-     |
| 242.10  | ACCRUED VACALION   | 77 520 34-    |
| 242.20  | AWARDED SICK DEAVE 1000'   | 010 404 82-   |
| 252.20  | CONS ADV PYMT 301 THRO 2000  | 819,494.02    |
| 252.30  | CONS ADV PYMT ALL OVER 1000  | 18,496,900.90 |
| 252.30  | POLES, TOWERS AND FIXTORES   | 17,024,565.65 |
| 364.00  | OVERHEAD CONDUCTORS AND DEVICED  | 307,518.32    |
| 365.00  | UNDERGROUND CONDUIT  | 3,339,955.47  |
| 366.00  | UNDERGROUND CONDUCTORS / DEVICED   | 8,718,268.72  |
| 367.00  | LINE TRANSFORMERS  | 9,242,034.66  |
| 368.00  | CERVICES   | 1,458,359.77  |
| 369.00  | METERS   | 1,642,267.30  |
| 370.00  | INCRALLATION ON CONS PREMISES  | 58,916.23     |
| 371.00  | CURET LIGHTS AND SIGNAL SYSTEM   | 20,010.19     |
| 373.00  | TAND AND LAND RIGHTS (NEW OFFICE)  | 2.075.00      |
| 389.00  | LAND AND LAND RIGHTS   | 1 161.595.16  |
| 389.10  | LAND AND IMPROVEMENTS  | 9.820.04      |
| 390.00  | STRUCTURES AND IMPROVEMENTS-LEASE  | 299,009,33    |
| 390.10  | STRUCTURE AND FIXTURES   | 1 229 798.50  |
| 391.00  | OFFICE FURNITORS FOUL PMENT  | 5 020.97      |
| 392 00  | TRANSPORTATION EQUILIBRIUM   | 10 421 70     |
| 303 00  | STORES EQUIPMENT   | 10,421.,0     |
| 393.00  | TOOLS, SHOP AND GARAGE December  | 83,137.10     |
| 394.00  | LABORATORY EQUIPMENT   | 136,633.00    |
| 393.00  | POWER OPERATED EQUIPMENT   | 193,200.70    |
| 390.00  | COMMUNICATIONS EQUIPMENT   | 30,686.00     |
| 397.00  | MISCELLANEOUS EQUIPMENT  | 1,766,304.03  |
| 398.00  | DEPR. EXPENSE-DISTRIBUTION FORMS   | 63,200.70     |
| 403.60  | DEPR EXPENSE - GENERAL PLANT   | 35,224.00     |
| 403.70  | TAYES - STATE ASSESSMENT   | 5,395.23      |
| 408.50  | COST AND EXP. FROM MERCHANUISING   | 2,000.00-     |
| 416.00  | MANAGEMENT/CONSULTING SERVICES   | 50,212.02-    |
| 417.00  | FOULTRY EARNINGS-SUBSIDIARY - SES  | 510.00-       |
| 418.10  | ENVISION EARNINGS-SUBSID ENVISION  | 47,983.48-    |
| 418.20  | EQUILI AND DIVIDEND INCOME   | 0.00          |
| 419.00  | INVESTMENT ON DISPOSITION OF PROPERTY  | 112,709.88    |
| 421.10  | DESCRIPTION  DESCRIPTION  DISCRETIONARY ANNUAL BONUS INTEREST ACCRUED—RUS OBLIGATION INTEREST ACCRUED FFB OBLIGATION OTHER INTEREST ACCRUED INTEREST ACCRUED CONS. DEPOSITS ACC. FEDERAL INCOME TAX EMPLOYEE ACC. FEDERAL INCOME TAX EMPLOYEE ACC. STATE INCOME TAX EMPLOYEE ACC. STATE INCOME TAX EMPLOYEE ACCRUED EMPLOYEE OCCUPATIONAL TX MISC CURRENT / ACCRUED LIABILITS PAYROLL CLEARING ACCOUNT ACCRUED VACATION AWARDED SICK LEAVE CONS ADV PYMT 301' THRU 1000' CONS ADV PYMT ALL OVER 1000' POLES, TOWERS AND FIXTURES OVERHEAD CONDUCTORS AND DEVICES UNDERGROUND CONDUIT UNDERGROUND CONDUIT UNDERGROUND CONDUCTORS / DEVICES LINE TRANSFORMERS SERVICES METERS INSTALLATION ON CONS PREMISES INSTALLATION ON CONS PREMISES INSTALLATION ON CONS PREMISES STRUCTURE AND IMPROVEMENTS STRUCTURES AND IMPROVEMENTS STRUCTURE AND GARAGE EQUIPMENT TOOLS, SHOP AND GARAGE EQUIPMENT LABORATORY EQUIPMENT TOOLS, SHOP AND GARAGE EQUIPMENT DEPR. EXPENSE—DISTRIBUTION PLANT DEPR. EXPENSE—OF PROMERCHANDISING MANAGEMENT/CONSCILLING OF PROPERTY LOSS ON DISPOSITION OF PROPERTY |               |
| 421.20  | FORE ON DISTORDED  |               |
|         |  |               |

#### SUMMARIZED ACCOUNT TRIAL BAL....E FROM 08/08 TO 07/09

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| ACCOUNT  | DESCRIPTION  | AMOUNT   |
|--|--|--|
| 423.00<br>424.00<br>426.10<br>426.40<br>427.10<br>427.20                               | G AND T CAPITAL CREDITS OTHER CAPITAL CR / PAT DIVIDENDS DONATIONS CIVIC, POLITICAL / RELATED ACTVTS INTEREST ON REA CONSTRUCTION LN INTEREST ON CFC CONSTRUCTION LN INTEREST ON FFB CONSTRUCTION LN INTEREST ON FFB CONSTRUCTION LN INT ON DEBT TO ASSOC ORGANIZATNS INTEREST EXPCONSUMER DEPOSITS RESIDENTIAL SALES-RESIDENTIAL COMMERCIAL / INDUSTRIAL SALES-SM COMMERCIAL / INDUSTRIAL SALES-SM COMMERCIAL / INDUSTRIAL SALES-LG PUBLIC STREET / HIGHWAY LIGHTING FORFEITED DISCOUNTS RENT FROM ELECTRIC PROPERTY OTHER ELECTRIC REVENUE PURCHASE POWER OPERATION, SUPERVISION AND ENGR. OVERHEAD LINE EXPENSE UNDERGROUND LINE EXPENSE METER TESTING METER EXPENSE METER TESTING METER EXPENSE METER TESTING METER RECORD KEEPING (D. GRAHAM) CONSUMER INSTALLATION EXPENSE MISCELLANEOUS DISTRIBUTION EXP. MAINTENANCE-SUPERVISION / ENGR. MAINTENANCE OF OVERHEAD LINES PATROLLING - PLANNED O.C.R. MAINTENANCE - PLANNED RIGHT OF WAY - SPRAYING AIR PATROL TREATMENT OF POLES MAINTENANCE OF LINE TRANSFORMERS MAINTENANCE OF LINE TRANSFORMERS MAINTENANCE OF MISC. DIST. PLANT CLEARING ACCOUNT FOR BALANCING SUPERVISION METER READING EXPENSE CONSUMER RECORDS / COLLECT. EXP. UNCOLLECTIBLE ACCOUNTS SUPERVISION CUSTOMER ASSISTANCE EXPENSE INFORMATIONAL / INSTRUCTIONAL EP MISCELLANEOUS CUSTOMER SERV.EXP. DEMONSTRATING / SELLING EXPENSE | 350,180.00-<br>91,685.48-<br>51.40<br>3,510.97<br>692,438.02<br>217,114.43<br>743.258.46                           |
| 593.10<br>593.20<br>593.30<br>593.35<br>593.40   | PATROLLING - PLANNED O.C.R. MAINTENANCE - PLANNED RIGHT OF WAY - PLANNED RIGHT OF WAY - SPRAYING AIR PATROL  | 2,378.49<br>520,664.13<br>33,205.34<br>90.41   |
| 593.50<br>594.00<br>595.00<br>597.00<br>598.00<br>599.99                               | TREATMENT OF POLES MAINTENANCE OF UNDERGROUND LINES MAINTENANCE OF LINE TRANSFORMERS MAINTENANCE OF METERS MAINTENANCE OF MISC. DIST. PLANT CLEARING ACCOUNT FOR BALANCING   | 225.75<br>45,938.69<br>2,113.83-<br>4,949.24<br>79,758.25<br>0.00  |
| 901.00<br>902.00<br>903.00<br>904.00<br>907.00<br>908.00<br>909.00<br>910.00<br>912.00 | SUPERVISION METER READING EXPENSE CONSUMER RECORDS / COLLECT. EXP. UNCOLLECTIBLE ACCOUNTS SUPERVISION CUSTOMER ASSISTANCE EXPENSE INFORMATIONAL / INSTRUCTIONAL EP MISCELLANEOUS CUSTOMER SERV.EXP. DEMONSTRATING / SELLING EXPENSE  | 47,117.01<br>320,432.46<br>257,653.90<br>77,415.75<br>28,645.45<br>85,584.00<br>21,138.92<br>21,084.60<br>3,354.89 |

SHELBY ENERGY COOP. INC. PRG. TRBALSUM

### SUMMARIZED ACCOUNT TRIAL BAL....E FROM 08/08 TO 07/09

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| ACCOUNT  | DESCRIPTION   | AMOUNT   |
|--|---|--|
| 920.00<br>921.00<br>921.10<br>923.00<br>925.00<br>926.10<br>930.20<br>930.21<br>930.30<br>931.00<br>935.10<br>935.20<br>935.30<br>935.40<br>999.00 | ADMINISTRATIVE / GENERAL SALARY OFFICE SUPPLIES AND EXPENSE OFFICE SUPPLIES / EXPCLEARING OUTSIDE SERVICES EMPLOYED INJURIES AND DAMAGES EMPLOYEE PENSIONS / BENEFIT CLR MISCELLANEOUS GENERAL EXPENSE MISC.GENERAL EXP-DUES/MAGAZINE DIRECTORS FEES AND EXPENSES RENTS MAINT.OF STRUCTURES / IMPROVMTS MAINT.OF OFFICE FURNITURE / FIXTS MAIN.OF COMMUNICATIONS EQUIPMENT MAIN. OF GENERAL PROPERTY PAYROLL EST. HRS. CLEARING ACCT. | 217,352.62<br>19,782.41<br>0.00<br>215,319.57<br>2,213.99-<br>0.00<br>164,684.01<br>126,538.06<br>89,233.93<br>5,700.00<br>47,237.43<br>17,032.28<br>7,576.69<br>15,314.22<br>6,243.89 |
|  | ACCOUNTS 000.00 TO 399.99<br>ACCOUNTS 400.00 TO 999.99  | 560,007.56<br>560,007.56-  |

### Shelby Energy Cooperative, Inc. Case No. 2009 - 00410

### Comparative Capital Structure (Excluding JDIC) For the Periods as Shown "000" Omitted

|      |                         | 1000    |       | 1999   | - I   | 2000   | T     | 2001   |       | 2002   |       | 2003   |       |
|------|-------------------------|---------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|
|      |                         | 1998    |       |        |       |        |       |        |       |        |       |        | l     |
| Line |                         | 10th Ye | ear   | 9th Ye | ar    | 8th Ye | ar    | 7th Ye | ar    | 6th Ye | ar    | 5th Ye | ar    |
| No.  | Type of Capital         | Amount  | Ratio | Amount | Ratio | Amount | Ratio | Amount | Ratio | Amount | Ratio | Amount | Ratio |
| 1    | Long Term Debt          | 17,143  | 49%   | 17,995 | 49%   | 20,768 | 53%   | 22,282 | 54%   | 23,657 | 52%   | 25,675 | 52%   |
| 2    | Short Term Debt         | 3,040   | 9%    | 2,559  | 7%    | 1,809  | 5%    |        | 0%    | 500    | 1%    | 58     | 0%    |
| 3    | Memberships             |         | 0%    |        | 0%    |        | 0%    |        | 0%    |        | 0%    |        | 0%    |
| 4    | Patronage Capital       | 15,067  | 43%   | 16,273 | 44%   | 16,823 | 43%   | 19,084 | 46%   | 21,679 | 47%   | 23,400 | 48%   |
| 5    | Other (Itemize by type) |         | 0%    |        | 0%    |        | 0%    |        | 0%    |        | 0%    |        | 0%    |
| 6    | Total Capitalization    | 35,250  | 100%  | 36,827 | 100%  | 39,400 | 100%  | 41,366 | 100%  | 45,836 | 100%  | 49,133 | 100%  |

|      |                         |          |                   |        |        |                  |       |         |       |              |       |                |       | •      |       |
|------|-------------------------|----------|-------------------|--------|--------|------------------|-------|---------|-------|--------------|-------|----------------|-------|--------|-------|
|      |                         |          |                   |        |        |                  |       |         |       |              |       |                |       |        |       |
|      |                         | 2004     | 2004 2            |        |        | 5 2006           |       | 2007    |       | 2008         |       | Latest Quarter |       | Avera  | ge    |
| Line |                         | 4th Ye   | 4th Year 3rd Year |        | 2nd Ye | nd Year 1st Year |       | Test ye | ar    | Jun 30, 2009 |       | Test Year      |       |        |       |
| No.  | Type of Capital         | Amount   | Ratio             | Amount | Ratio  | Amount           | Ratio | Amount  | Ratio | Amount       | Ratio | Amount         | Ratio | Amount | Ratio |
|      | Long Term Debt          | 26,906   | 53%               | 28,984 | 53%    | 34,357           | 58%   | 34,142  | 57%   | 35,080       | 58%   | 34,563         | 58%   | 34,528 | 58%   |
|      | Short Term Debt         | ·        | 0%                | 1,286  | 2%     |                  | 0%    |         | 0%    |              | 0%    | 0              | 0%    | 0      | 0%    |
|      | Memberships             |          | 0%                |        | 0%     |                  | 0%    |         | 0%    |              | 0%    | 0              | 0%    | 0      | 0%    |
|      | Patronage Capital       | 23,622   | 47%               |        | 45%    | 24,928           | 42%   | 25,323  | 43%   | 25,133       | 42%   | 25,372         | 42%   | 25,065 | 42%   |
| 5    | Other (Itemize by type) | <u> </u> | 0%                |        | 0%     |                  | 0%    |         | 0%    |              | 0%    |                | 0%    | 0      | 0%    |
| .6   | Total Capitalization    | 50,528   | 100%              |        | 100%   | 59,285           | 100%  | 59,465  | 100%  | 60,213       | 100%  | 59,935         | 100%  | 59,592 | 100%  |

Format 7
Exhibit Z
page 2 of 2

### Shelby Energy Cooperative, Inc. Case No. 2009 - 00410 Calculation of Average Test Period Capital Structure 12 months ended July 31, 2009

|      |                                | 12 111     | onins onded | July 51, 200 |             |            |            | Total      |
|------|--------------------------------|------------|-------------|--------------|-------------|------------|------------|------------|
|      |                                | Total      | Long-Term   | Short-Term   |             | Common     | Patronage  | Common     |
| Line | Item                           | Capital    | Debt        | Debt         | Memberships | Stock      | Capital    | Equity     |
| No.  | <u>(a)</u>                     | <u>(b)</u> | <u>(c)</u>  | <u>(d)</u>   | <u>(e)</u>  | <u>(f)</u> | <u>(g)</u> | <u>(h)</u> |
| 1    | Balance Beginning of Test yea  | 59,763     | 34,586      |              |             |            | 25,177     |            |
| 2    | 1st month                      | 59,653     | 34,451      |              |             |            | 25,202     |            |
|      |                                |            |             |              |             |            |            |            |
| 3    | 2nd month                      | 59,575     | 34,348      |              |             |            | 25,227     |            |
| 4    | 3rd month                      | 59,051     | 34,321      |              |             |            | 24,730     |            |
| 5    | 4th month                      | 58,516     | 34,190      |              |             |            | 24,326     |            |
| 6    | 5th month                      | 58,961     | 33,828      |              |             |            | 25,133     |            |
| 7    | 6st month                      | 60,361     | 35,051      |              |             |            | 25,310     |            |
| 8    | 7th month                      | 59,761     | 34,917      |              |             |            | 24,844     |            |
| 9    | 8th month                      | 59,323     | 34,754      |              |             |            | 24,569     |            |
| 10   | 9th month                      | 59,931     | 34,723      |              |             |            | 25,208     |            |
| 11   | 10th month                     | 59,940     | 34,646      |              |             |            | 25,294     |            |
| 12   | 11th month                     | 59,903     | 34,537      |              |             |            | 25,366     |            |
| 13   | 12th month                     | 59,963     | 34,507      |              |             |            | 25,456     |            |
| 14   | Total (Line 1 through Line     | 774,701    | 448,859     | 0            | 0           | 0          | 325,842    | 0          |
| 15   | Average balance (Line 14/13    | 59,592     | 34,528      | 0            | 0           | 0          | 25,065     | 0          |
| 16   | Average capitalization ratios  | 100%       | 58%         | 0%           | 6 0%        | 0%         | 42%        | 0%         |
| 17   | End of period capitalization 1 | 100%       | 58%         | 0%           | 6 0%        | 0%         | 42%        | 0%         |

| 1        |  |  | Exhibit 1                    |  |  |  |  |  |  |  |  |
|----------|--|--|------------------------------|--|--|--|--|--|--|--|--|
| 2        |  |  | page of 9                    |  |  |  |  |  |  |  |  |
| 3        | Shell                                  | by Energy Cooperativ   | e                            |  |  |  |  |  |  |  |  |
| 4        |  | ase No. 2009-00410   |                              |  |  |  |  |  |  |  |  |
|          | July 31, 2009                          |  |                              |  |  |  |  |  |  |  |  |
| 5        |  | July 31, 2009  |                              |  |  |  |  |  |  |  |  |
| 7        |  | Payroll Adjustment   |                              |  |  |  |  |  |  |  |  |
| 8        |  | and the same of th |                              |  |  |  |  |  |  |  |  |
| 9        | To reflect the increase granted by the | he Board of Directors, the   | step increases granted and   |  |  |  |  |  |  |  |  |
| 10       | promotions during the year. To give    |  | -                            |  |  |  |  |  |  |  |  |
| 11       | hired during the test year. Overtim    | ne pay is calculated at 1-1/   | 2 times regular pay rate for |  |  |  |  |  |  |  |  |
| 12       | hours worked in excess of 8 hours      | per day.   |                              |  |  |  |  |  |  |  |  |
| 13       |  |  | ,                            |  |  |  |  |  |  |  |  |
| 14       | Temporary employees are used for       | certain busy times of the  | month, or when an employee   |  |  |  |  |  |  |  |  |
| 15       | has scheduled vacation time off. T     | This is expected to continu  | e into the future.           |  |  |  |  |  |  |  |  |
| 16       |  |  |                              |  |  |  |  |  |  |  |  |
| 17       | There were no union employees un       | ntil August 1, 2009.   |                              |  |  |  |  |  |  |  |  |
| 18       |  |  |                              |  |  |  |  |  |  |  |  |
| 19       | Wage and salary increases are as for   | ollows:  |                              |  |  |  |  |  |  |  |  |
| 20       |  | т  |                              |  |  |  |  |  |  |  |  |
| 21       |  | Increase   |                              |  |  |  |  |  |  |  |  |
| 22       | 2009                                   | 2.00%  |                              |  |  |  |  |  |  |  |  |
| 23       | 2009                                   | 2.60%  |                              |  |  |  |  |  |  |  |  |
| 24<br>25 | 2007                                   | 2.50%  |                              |  |  |  |  |  |  |  |  |
| 26       | 2006                                   | 2.50%  |                              |  |  |  |  |  |  |  |  |
| 27       | 2005                                   | 3.50%  |                              |  |  |  |  |  |  |  |  |
| 28       | 2000                                   | 5,6476   |                              |  |  |  |  |  |  |  |  |
| 29       | The amount of increase was alloca      | ted based on the actual te   | st year.                     |  |  |  |  |  |  |  |  |
| 30       |  |  | ·                            |  |  |  |  |  |  |  |  |
| 31       | Projected wages                        |  | \$2,288,268                  |  |  |  |  |  |  |  |  |
| 32       |  |  |                              |  |  |  |  |  |  |  |  |
| 33       | Actual wages for test year             |  | 2,185,841                    |  |  |  |  |  |  |  |  |
| 34       |  |  |                              |  |  |  |  |  |  |  |  |
| 35       | Adjustment                             |  | <u>\$102,427</u>             |  |  |  |  |  |  |  |  |
| 36       |  |  |                              |  |  |  |  |  |  |  |  |
| 37       |  |  |                              |  |  |  |  |  |  |  |  |
| 38       | The allocation is on the following     | page:  |                              |  |  |  |  |  |  |  |  |
|          |  |  |                              |  |  |  |  |  |  |  |  |

Exhibit 1 1 page 2 of 92 Shelby Energy Cooperative 3 Case No. 2009-00410 4 5 Allocation of increase in payroll: 6 Labor 7 Distribution Allocation Percent 8 9 691,029 31.6% 32,381 107.20 Construction work in progress 10 108.80 Retirement work in progress 88,226 4.0% 4,134 11 1,941 91 143.00 Receivable from others 0.1% 12 163.00 Stores 67,038 3.1% 3,141 13 184.00 Transportation 162 0.0% 8 14 Employee sick leave/vacation 109,291 5.0% 5,121 242.52 15 580.00 **Operations** 56,141 16 583.00 Overhead line 53,011 17 Underground 584.00 18 586.00 Meter 142,649 19 Installations 34,219 587.00 20 Miscellaneous distribution 36,348 14.7% 15,106 588.00 21 10,876 590.00 Maintenance 22 451,611 593.00 Overhead line 23 24,097 Underground 594.00 24 28 595.00 **Transformers** 25 2,997 Street lights 597.00 26 42,479 24.3% Miscellaneous maintenance 24,933 598.00 27 30,366 901.00 Supervision 28 37,867 902.00 Meter reading 29 58,232 Consumer records 903.00 30 6.4% 13,267 6,548 Consumer records 904.00 31 18,483 907.00 Supervision, Customer service 32 42,529 Consumer accounting 908.00 33 Consumer information 4,540 909.00 34 7,033 3.3% 3,401 910.00 Misc customer information 35 Customer demonstration 1,608 0.1% 75 912.00 36 123,684 Administrative 37 920.00 11,448 926.00 Employee benefits 38 23,794 930.00 Miscellaneous 39 7.3% 7,487 935.00 Maintenance general plant <u>847</u> 40 41

2,185,841

100.0%

102,426

43 44

42

Total

Shelby Energy Cooperative Case No. 2009-00410 Employee Earnings and Hours July 31, 2009

|   |               |           |            |         | ı                    | Actual Test Year Wages |          |           |           |         |          |         | Normalia   | ed Wages |         |
|---|---------------|-----------|------------|---------|----------------------|------------------------|----------|-----------|-----------|---------|----------|---------|------------|----------|---------|
|   | 1             | <u> </u>  |            |         |                      |                        | Actual   | lest year | T         |         | Wage     |         |            | 1        |         |
|   | Employee      |           | Hours Work |         |                      |                        |          |           | Storm &   |         | Rate     |         | 2,080 Hour |          | T       |
|   | Number        | Regular   | Overtime   | Vac Pay | Total                | Regular                | Overtime | Vac Pay   | Christmas | Total   | 1-Nov-09 | Regular | Overtime   | Vac Pay  | Total   |
|   |               |           |            |         |                      |                        |          |           |           |         |          |         |            |          |         |
|   | Salaried Em   |           |            |         | 2 000 00             | 01.410                 |          |           | 1,709     | 93,127  | 45.23    | 94,078  |            | 0        | 94,078  |
| 1 | 101           | 2,080.00  |            |         | 2,080.00             | 91,418<br>56,919       |          |           | 1,709     | 58,628  | 29.99    | 62,379  |            | 0        | 62,379  |
| 1 | 305           | 2,080.00  |            |         | 2,080.00             | 85,389                 |          |           | 1,709     | 87,098  | 42.40    | 88,192  |            | 0        | 88,192  |
| 1 | 1301          | 2,080.00  |            |         | 2,080.00<br>2,080.00 |                        |          |           | 1,709     | 115,094 | 57.71    | 120,037 |            | 0        | 120,037 |
| 1 | 1307          | 2,080.00  |            |         | 2,080.00             | 113,385<br>49,028      |          |           | 1,709     | 50,737  | 24.91    | 51,813  |            | 0        | 51,813  |
| 1 | 1501          | 2,080.00  |            |         | 2,080.00             | 65,805                 |          |           | 1,709     | 67,514  | 32.96    | 68,557  |            | 0        | 68,557  |
| 1 | 2301          | 2,080.00  |            |         | 2,080.00             | 63,803                 |          |           | 1,709     | 07,314  | 32.90    | 00,55.1 |            | U        | 00,557  |
| 6 | Subtotal Sala | 12,480.00 | 0.00       | 0.00    | 12,480.00            | 461,944                | 0        | 0         | 10,254    | 472,198 |          | 485,056 | 0          | 0        | 485,056 |
|   | Hourly Emp    | loyees:   |            |         |                      |                        |          |           |           |         |          |         |            |          |         |
| 1 | 208           | 2,080.00  | 220.00     |         | 2,300.00             | 44,612                 | 8,850    |           | 1,709     | 55,171  | 22.62    | 47,050  | 7,465      | 0        | 54,514  |
| 1 | 210           | 2,080.00  | 667.00     |         | 2,747.00             | 42,688                 | 23,190   |           | 1,709     | 67,587  | 22.41    | 46,613  | 22,421     | 0        | 69,034  |
| ı | 302           | 2,080.00  | 983.00     |         | 3,063.00             | 61,319                 | 47,755   |           | 1,709     | 110,783 | 30.92    | 64,314  | 45,592     | 0        | 109,905 |
| 1 | 304           | 2,080.00  | 87.75      |         | 2,167.75             | 37,496                 | 2,157    |           | 1,709     | 41,362  | 18.49    | 38,459  | 2,434      | 0        | 40,893  |
| 1 | 306           | 2,080.00  | 726.00     |         | 2,806.00             | 42,688                 | 25,090   |           | 1,709     | 69,487  | 22.41    | 46,613  | 24,404     | 0        | 71,017  |
| 1 | 307           | 520.00    | 18.25      |         | 538.25               | 10,899                 | 574      |           |           | 11,473  | 21.59    | 44,907  | 591        | 0        | 45,498  |
| 1 | 403           | 2,096.00  | 44.00      |         | 2,140.00             | 34,535                 | 1,302    |           | 1,709     | 37,546  | 17.47    | 36,338  | 1,153      | 0        | 37,491  |
| 1 | 501           | 2,080.00  | 237.50     |         | 2,317.50             | 49,489                 | 10,092   |           | 1,709     | 61,290  | 26.86    | 55,869  | 9,569      | 0        | 65,438  |
| i | 503           | 1,760.00  | 424.00     |         | 2,184.00             | 46,542                 | 20,080   |           | 1,709     | 68,331  | 28.21    | 58,677  | 17,942     | 0        | 76,618  |
| 1 | 702           | 2,080.00  | 250.00     |         | 2,330.00             | 65,770                 | 14,100   |           | 1,709     | 81,579  | 33.26    | 69,181  | 12,473     | 0        | 81,653  |
| 1 | 705           | 2,080.00  | 39.00      |         | 2,119.00             | 40,112                 | 893      |           | 1,709     | 42,714  | 20.74    | 43,139  | 1,213      | 0        | 44,352  |
| 1 | 706           | 2,080.00  | 867.50     |         | 2,947.50             | 60,789                 | 41,972   |           | 1,709     | 104,470 | 30.62    | 63,690  | 39,844     | 0        | 103,534 |
| 1 | 801           | 2,080.00  | 207.00     |         | 2,287.00             | 45,961                 | 6,724    |           | 1,709     | 54,394  | 26.01    | 54,101  | 8,076      | 0        | 62,177  |
| 1 | 802           | 1,480.00  | 45.50      |         | 1,525.50             | 27,252                 | 1,255    |           | 75        | 28,582  | 19.46    | 40,477  | 1,328      | 0        | 41,805  |
| 1 | 1002          | 2,080.00  | 224.25     |         | 2,304.25             | 40,845                 | 6,401    |           | 1,709     | 48,955  | 21.24    | 44,179  | 7,145      | 0        | 51,324  |
| 1 | 1201          | 424.00    | 6.00       |         | 430.00               | 6,831                  | 145      |           |           | 6,976   | 16.43    | 34,174  | 148        | 0        | 34,322  |
| 1 | 1304          | 2,080.00  | 789.00     |         | 2,869.00             | 61,319                 | 38,871   |           | 1,709     | 101,899 | 30.62    | 63,690  | 36,239     | 0        | 99,928  |
| 1 | 1306          | 2,080.00  | 79.25      |         | 2,159.25             | 45,724                 | 2,347    |           | 1,709     | 49,780  | 22.48    | 46,758  | 2,672      | 0        | 49,431  |
| 1 | 1403          | 2,080.00  | 817.00     |         | 2,897.00             | 55,394                 | 36,274   |           | 1,709     | 93,377  | 28.21    | 58,677  | 34,571     | 0        | 93,248  |
| i | 1801          | 2,080.00  | 527.00     |         | 2,607.00             | 55,394                 | 24,343   |           | 1,709     | 81,446  | 28.21    | 58,677  | 22,300     | 0        | 80,977  |
| 1 | 1902          | 2,080.00  | 637.50     |         | 2,717.50             | 61,319                 | 31,985   |           | 1,709     | 95,013  | 31.23    | 64,958  | 29,864     | 0        | 94,822  |
| 1 | 2006          | 2,064.50  | 577.75     |         | 2,642.25             | 54,965                 | 26,432   |           | 1,709     | 83,106  | 28.21    | 58,677  | 24,447     | 0        | 83,124  |

Shelby Energy Cooperative Case No. 2009-00410 Employee Earnings and Hours July 31, 2009

|    | •              |                      |            |             |   |           |          |           |           |           | ı        |           |           |           |           |
|----|----------------|----------------------|------------|-------------|---|-----------|----------|-----------|-----------|-----------|----------|-----------|-----------|-----------|-----------|
|    |                |                      |            |             |   |           | Actual   | Test Year | Wages     |           | Wage     |           |           | zed Wages |           |
|    | F              | Ţ                    | Hours Work | ed Test Ves | ır                                      |           |          |           | Storm &   |           | Rate     | @         | 2,080 Hou |           |           |
|    | Employee       |                      |            |             | Total                                   | Regular   | Overtime | Vac Pay   | Christmas | Total     | 1-Nov-09 | Regular   | Overtime  | Vac Pay   | Total     |
|    | Number         | Regular              | Overtime   | vaciay      | Total                                   | regular   |          |           |           |           | _        |           |           |           |           |
|    | 2226           | 2 000 00             | 597.75     |             | 2,677.75                                | 61,318    | 30,167   |           | 1,709     | 93,194    | 31.23    | 64,958    | 28,002    | 0         | 92,960    |
| 1  | 2306           | 2,080.00             | 626.00     |             | 2,706.00                                | 55,448    | 28,334   |           | 1,709     | 85,491    | 28.21    | 58,677    | 26,489    | 0         | 85,166    |
| 1  | 2309           | 2,080.00<br>2,079.97 | 509.50     |             | 2,589.47                                | 45,713    | 19,635   |           | 1,709     | 67,057    | 23.87    | 49,650    | 18,243    | 0         | 67,892    |
| 1  | 2312           | 2,069.75             | 57.25      |             | 2,127.00                                | 34,228    | 1,439    |           | 1,709     | 37,376    | 17.47    | 36,338    | 1,500     | 0         | 37,838    |
| I  | 2314           | 2,009.73             | 31.23      |             | 2,12                                    | ,         | ,        |           |           |           |          |           |           | •         | 1 551 063 |
| 26 | Subtotal hour  | 40 034 22            | 10,264.75  | 0.00        | 60.198.97                               | 1,188,650 | 450,407  | 0         | 39,382    | 1,678,439 |          | 1,348,838 | 426,124   | 0         | 1,774,963 |
| 26 | Subtotal flour | 43,334.22            | 10,201.73  | 0.00        | • | , ,       |          |           |           |           |          |           |           |           |           |
|    | Summer and     | Part Time            | Employees  | s <b>:</b>  |   |           |          |           |           |           |          |           | 15        |           | 6,715     |
| 1  | 104            | 667.00               | 3.00       |             | 670.00                                  | 6,670     | 45       |           |           | 6,715     | 10.00    | 6,670     | 45        |           | 7,733     |
| ı  | 708            | 543.00               | 6.25       |             | 549.25                                  | 7,603     | 130      |           | 417       | 8,150     | 14.00    | 7,602     | 131       |           | 13,801    |
| 1  | 1802           | 887.50               | 15.25      |             | 902.75                                  | 12,972    | 336      |           | 668       | 13,976    | 15.16    | 13,455    | 347       |           | 13,601    |
| 1  | 1002           | 00,111               |            |             |   |           |          |           |           |           |          | 25.52     | 523       | 0         | 28,250    |
| 3  | Subtotal sum   | 2,097.50             | 24.50      | 0.00        | 2,122.00                                | 27,245    | 511      | 0         | 1,085     | 28,841    |          | 27,727    | 323       | U         | 20,230    |
| ,  |                | . ,                  |            |             |   |           |          |           |           |           |          |           |           |           |           |
|    | Retirees:      |                      |            |             |   |           |          |           |           | 6.262     |          |           |           |           |           |
| 1  | 2307           | 263.50               |            |             | 263.50                                  | 6,363     |          |           |           | 6,363     |          |           |           |           |           |
|    |                |                      |            |             |   |           |          |           | 0         | ( 2(2     |          | 0         | 0         | 0         | 0         |
| 1  | Subtotal retir | 263.50               | 0.00       | 0.00        | 263.50                                  | 6,363     | 0        | 0         | 0         | 6,363     |          | U         | U         | v         |           |
|    |                |                      |            |             |   |           |          | ^         | 50.721    | 2 105 041 |          | 1,861,621 | 426,647   | 0         | 2,288,268 |
|    | Total          | 64,775.22            | 10,289.25  | 0.00        | 75,064.47                               | 1,684,202 | 450,918  | 0         | 50,721    | 2,185,841 |          | 1,001,021 | .20,0 1,  | •         |           |

| 1  |                              | Exhibit 1   |
|----|------------------------------|---|
| 2  |                              | page Sof 9  |
| 3  |                              | Witness: Debbie Martin  |
| 4  |                              |   |
| 5  |                              | Shelby Energy Cooperative   |
| 6  |                              | Case No. 2009-00410   |
| 7  |                              | Employee Information  |
| 8  |                              | July 31, 2009   |
| 9  |                              |   |
| 10 |                              |   |
| 11 | The following is a list of e | employees added during the test year, and the employees that were |
| 12 | replaced, or reason for hir  | ing the employees.  |
| 13 |                              |   |
| 14 | Employee                     |   |
| 15 | <u>Hired</u>                 | Reason  |
| 16 |                              |   |
| 17 | 1308                         | New hire for new position.  |
| 18 | 802                          | New hire for Information Technology department.                   |
| 19 | 1201                         | Replaced #2307 who quit   |
| 20 |                              |   |
| 21 |                              |   |
| 22 |                              |   |
| 23 | The following is a list of e | employees terminated, and the date.                               |
| 24 |                              |   |
| 25 | Employee                     | Month   |
| 26 | <u>Number</u>                | <u>Terminated</u>   |
| 27 |                              |   |
| 28 | 2307                         | Sep-08  |
| 29 |                              |   |
| 30 |                              |   |
| 31 |                              |   |
| 32 |                              |   |
| 33 |                              |   |
| 34 |                              |   |
| 35 |                              |   |
| 36 |                              |   |
| 37 |                              |   |
| 38 |                              |   |
| 39 |                              |   |
|    |                              |   |

Exhibit 1
page 6 of 9
Witness: Debbie Martin

## Shelby Energy Cooperative Case No. 2009-00410 Compensation of Executive Officers July 31, 2009

|                          | <<br><u>Salary</u> | Test Year Percent of Increase | > <u>Date</u> | Employees<br>who<br><u>Report</u> |  |  |
|--------------------------|--------------------|-------------------------------|---------------|-----------------------------------|--|--|
| General Manager & CEO    | 117,738.00         | 2.0%                          | 11/1/2009     | all                               |  |  |
| VP & Engineering Manager | 94,072.00          | 2.0%                          | 11/1/2009     | 4                                 |  |  |
| Operations Manager       | 88,186.00          | 2.0%                          | 11/1/2009     | 14                                |  |  |
| Human Resources Manager  | 68,549.00          | 2.0%                          | 11/1/2009     | 0                                 |  |  |
| Office Service Manager   | 62,372.00          | 7.0%                          | 11/1/2009     | 9                                 |  |  |
| First Preceding Year     |                    |                               |               |                                   |  |  |
|                          |                    | Percent of                    |               |                                   |  |  |
|                          | Salary             | Increase                      | Date          |                                   |  |  |

|                         | 1 1100     | I TOOCUITIE | 1000        |  |  |  |  |
|-------------------------|------------|-------------|-------------|--|--|--|--|
|                         | Percent of |             |             |  |  |  |  |
|                         | Salary     | Increase    | <u>Date</u> |  |  |  |  |
| General Manager & CEO   | 115,429.00 | 7.6%        | 11/1/2008   |  |  |  |  |
| VP, Engineering Manager | 92,257.00  | 5.2%        | 11/1/2008   |  |  |  |  |
| Operations Manager      | 86,457.00  | 5.2%        | 11/1/2008   |  |  |  |  |
| Human Resources Manager | 67,206.00  | 9.1%        | 11/1/2008   |  |  |  |  |
| Office Service Manager  | 58,291.00  | 10.4%       | 11/1/2008   |  |  |  |  |

#### Second Preceding Year Percent of Salary <u>Increase</u> **Date** 107,250.00 10.0% General Manager & CEO 11/1/2007 87,697.00 2.5% VP, Engineering Manager 11/1/2007 2.5% 11/1/2007 Operations Manager 82,183.00 61,600.00 Human Resources Manager 10.0% 11/1/2007

Shelby Energy Cooperative Case No. 2009-00410 Employee Earnings and Hours July 31, 2009 Exhibit 1
page 7 of 9
Witness:Debbie Martin

|   | Employee<br><u>Number</u>  | Wage<br>Rate<br>01-Nov-07  | Wage<br>Rate<br>01-Nov-08   | Percent<br>Increase                           | Wage<br>Rate<br>1-Nov-09                                    | Percent<br>Increase          | Date of last Increase   | Reason for increase   |
|---|--|--|---|---|---|------------------------------|---|---|
| 1<br>1<br>1<br>1<br>1                     | Salaried Em<br>101<br>305<br>1301<br>1307<br>1501<br>2301<br>Subtotal Sal              | 42.16<br>25.38<br>39.51<br>51.56<br>23.12<br>29.62                                     | 44.35<br>28.02<br>41.57<br>55.49<br>23.72<br>32.31                            | 5.2%<br>10.4%<br>5.2%<br>7.6%<br>2.6%<br>9.1% | 45.23<br>29.99<br>42.40<br>57.71<br>24.91<br>32.96          | 7.0%<br>2.0%<br>4.0%<br>5.0% | 11/1/2009<br>11/1/2009<br>11/1/2009<br>11/1/2009<br>11/1/2009<br>11/1/2009  | Below midpoint scale.  Below midpoint scale.  Below midpoint scale. |
| 1<br>1<br>1<br>1<br>1<br>1<br>1<br>1<br>1 | Hourly Em<br>208<br>210<br>302<br>304<br>306<br>307<br>403<br>501<br>503<br>702<br>705 | 21.34<br>21.25<br>29.84<br>17.45<br>21.25<br>15.77<br>23.80<br>26.96<br>31.78<br>18.15 | 21.97<br>30.62<br>18.13<br>21.97<br>20.96<br>16.80<br>24.42<br>27.66<br>32.61 | 2.6%  | 18.49<br>22.41<br>21.59<br>17.47<br>26.86<br>28.21<br>33.26 | 2.0%<br>2.0%                 | 11/1/2009<br>11/1/2009<br>11/1/2009<br>11/1/2009<br>11/1/2009<br>11/1/2009<br>11/1/2009<br>11/1/2009<br>11/1/2009 |   |

Shelby Energy Cooperative Case No. 2009-00410 Employee Earnings and Hours July 31, 2009 Exhibit 1

page of 9

Witness:Debbie Martin

|   |          | Wage      | Wage             |          | Wage            |          | Date of   |                       |
|---|----------|-----------|------------------|----------|-----------------|----------|-----------|-----------------------|
|   | Employee | Rate      | Rate             | Percent  | Rate            | Percent  | last      |                       |
|   | Number   | 01-Nov-07 | <u>01-Nov-08</u> | Increase | <u>1-Nov-09</u> | Increase | Increase  | Reason for increase   |
|   |          |           |                  |          |                 |          |           |                       |
| 1 | 706      | 29.84     | 30.62            | 2.6%     | 30.62           | 0.0%     | 11/1/2009 |                       |
| 1 | 801      | 21.25     | 25.01            | 17.7%    | 26.01           | 4.0%     | 11/1/2009 | Additional duties     |
| 1 | 802      |           | 18.80            | 0.0%     | 19.46           | 3.5%     | 11/1/2009 |                       |
| 1 | 1002     | 18.15     | 20.04            | 10.4%    | 21.24           | 6.0%     | 11/1/2009 | Promotion pay         |
| 1 | 1201     |           | 16.11            | 0.0%     | 16.43           | 2.0%     | 11/1/2009 |                       |
| 1 | 1304     | 29.84     | 30.62            | 2.6%     | 30.62           | 0.0%     | 11/1/2009 |                       |
| 1 | 1306     | 21.48     | 22.04            | 2.6%     | 22.48           | 2.0%     | 11/1/2009 |                       |
| 1 | 1403     | 26.96     | 27.66            | 2.6%     | 28.21           | 2.0%     | 11/1/2009 |                       |
| 1 | 1801     | 26.96     | 27.66            | 2.6%     | 28.21           | 2.0%     | 11/1/2009 |                       |
| 1 | 1902     | 29.84     | 30.62            | 2.6%     | 31.23           | 2.0%     | 11/1/2009 |                       |
| 1 | 2006     | 26.96     | 27.66            | 2.6%     | 28.21           | 2.0%     | 11/1/2009 |                       |
| 1 | 2306     | 29.84     | 30.62            | 2.6%     | 31.23           | 2.0%     | 11/1/2009 |                       |
| 1 | 2309     | 26.96     | 27.66            | 2.6%     | 28.21           | 2.0%     | 11/1/2009 |                       |
| 1 | 2312     | 22.24     | 23.40            | 5.2%     | 23.87           | 2.0%     | 11/1/2009 |                       |
| 1 | 2314     | 15.77     | 16.80            | 6.5%     | 17.47           | 4.0%     | 11/1/2009 | Below midpoint scale. |

Shelby Energy Cooperative Case No. 2009-00410 Exhibit 1 page 9 of 9 Witness: Jim Adkins

### Analysis of Salaries and Wages For the calendar years 2006 through 2008 and the Test Year

| 6  |      |  | Twelve Months Ended Test year |             |       |      |       |       |            | ır    |      |             |       |       |
|----|------|--|-------------------------------|-------------|-------|------|-------|-------|------------|-------|------|-------------|-------|-------|
| 7  |      |  |                               | 7008        |       |      |       |       |            | 2009  |      |             |       |       |
| 8  |      |  |                               | 2006        |       |      |       | %     | Amount     | : T   | %    | Amo         | unt   | %     |
| 9  |      | Item                                       | Amo                           |             | %     | Amou | m     | (i)   | (j)        | -     | (k)  | (1          | )     | (m)   |
| 10 | Line |  | (f                            | )           | (g)   | (h)  |       | (1)   | ()         |       |      |             |       |       |
| 11 | No   | (a)  |                               |             |       |      |       |       |            |       |      |             |       |       |
| 12 |      | w  |                               |             |       | _    |       | -10%  | 69         | 8     | 25%  |             | 854   | 22%   |
| 13 | 1    | Wages charged to expense:                  |                               | 619         | 4%    |      | 557   |       |            |       | -22% |             | 140   | 4%    |
| 14 | 2    | Distribution expense                       |                               | 201         | 4%    |      | 171   | -15%  |            | 8     | 2%   |             | 73    | 26%   |
| 15 | 3    | Customer accounts expense                  |                               | 65          | 3%    |      | 57    | -12%  |            |       | 100% |             | 2     | 0%    |
| 16 | 4    | Customer service and and information       |                               | 7           | 0%    | 1    | 1     | -86%  |            | 2     | 1007 | ,           | _     |       |
| 17 | 5    | Sales expense                              |                               |             |       |      |       |       |            |       | 100  |             | 124   | 20%   |
| 18 | 6    | Administrative and general expenses:       |                               | 155         | 1%    | D    | 127   | -18%  | , 10       | )3    | -19% | D           | 124   | 20.0  |
| 19 |      | (a) Administrative and general             |                               | 133         |       |      |       |       |            |       |      |             |       |       |
| 20 |      | (b) Office supplies and expense            |                               |             |       |      |       |       |            |       |      |             |       |       |
|    |      | (c) Outside services employed              |                               |             |       |      |       |       |            |       |      |             |       | -39%  |
| 21 |      | (d) Property insurance                     |                               | 0.1         | -18%  | ,    | 80    | -12%  | o o        | 18    | -78% | 6           | 11    | -39%  |
| 22 |      | (a) Injuries and damages                   |                               | 91          | -107  | 0    | 00    |       |            |       |      |             |       |       |
| 23 |      | (f) Employees hospitalization and benef    | īts                           |             |       |      |       |       |            |       |      |             |       |       |
| 24 |      | (g) Retirement and security                |                               |             | • • • | . ,  | 6     | -40%  | 6          | 50    | 733° | <b>1</b> /0 | 24    | -52%  |
| 25 |      | (h) Miscellaneous general                  |                               | 10          | -299  |      | ō     | -100% |            |       | 0,   | %           |       | 0%    |
| 26 |      | (i) Maintenance of general plant           |                               | 3           | 00    | %    |       | -100/ | <b>7</b> 0 |       |      |             |       |       |
| 27 |      | (1) Maintenance of general press           |                               |             |       |      |       | 20    | v          | 171   | -20  | %           | 159   | -3%   |
| 28 |      | and coneral                                |                               | 259         | -8    | %    | 213   | -39   | <b>%</b> 0 | 1 / 1 | 20   |             |       |       |
| 29 | 7    | Total administrative and general           |                               |             |       |      |       |       |            |       |      |             |       |       |
| 30 |      | expenses L6(a) to L6(i)                    |                               |             |       |      |       |       |            |       | -17  | 07          | 179   | 1%    |
| 31 |      |  |                               | 171         | 12    | %    | 214   | 25'   | %          | 178   | -1/  | 70          | 117   |       |
| 32 | 8    | Charged to clearing and others             |                               | 1, 1        |       |      |       |       |            |       |      |             |       |       |
| 33 |      |  |                               |             |       |      |       |       |            |       | _    | /           | 1,407 | 13%   |
| 34 | (    | Total salaries and wages charged to exp    | ense                          | 1,322       | 1     | 2%   | 1,213 | -8    | % 1        | ,241  | - 1  | 2%          | 1,407 | 1570  |
| 35 |      | and other L2 to $L6 + L7 + L8$             |                               | 1,522       | _     | .,0  | -,-   |       |            |       |      |             |       | -1%   |
|    |      |  |                               | <b>7.17</b> |       | 3%   | 739   | -1    | <b>1%</b>  | 783   | 1    | 5%          | 779   | -170  |
| 36 | - 1  | 0 Wages capitalized                        |                               | 747         |       | ) /0 | 137   |       |            |       |      |             |       |       |
| 37 | _    | Wagos officers                             |                               |             |       | 20/  | 1,952 | -6    | 5% 2       | ,024  |      | 4%          | 2,186 | 8%    |
| 38 |      | 11 Total salaries and wages                |                               | 2,069       |       | 3%   | 1,952 | ,     | 375        | •     |      |             |       |       |
| 39 |      | 11 Total salaries and wages                |                               |             |       |      |       |       |            |       |      |             |       |       |
| 40 | )    | 12 Ratio of salaries and wages charged     |                               |             |       |      |       | ,     |            | 619   | 6    |             | 64    | %     |
| 4  | 1    | 12 Ratio of Salaries and wages 19/1.11     |                               | 64%         | ó     |      | 62%   | o     |            | 01,   | ·    |             |       |       |
| 4: | 2    | to expense to total wages L9 / L11         |                               |             |       |      |       |       |            |       |      |             |       |       |
| 4  | 3    | turnes capitalized                         | ı                             |             |       |      |       |       |            | 200   | Z    |             | 36    | %     |
| 4  | 4    | 13 Ratio of salaries and wages capitalized | •                             | 36%         | 6     |      | 38%   | 6     |            | 399   | / O  |             | 20    |       |
| 4  | 5    | to total wages L10/L11                     |                               |             |       |      |       |       |            | ~ ~   |      | 45%         | 45    | 1 509 |
| 4  | 16   |  |                               | 247         | ,     | 29%  | 208   | 3 -1  | 16%        | 30    | •    | +J70        | 11,21 | ,     |
|    | 17   | 14 Overtime wages                          |                               | 6,591       |       |      | 5,319 | 9     |            | 7,55  | 7    |             | 11,41 | U     |
|    | 48   | 15 Overtime hours                          |                               | 0,27        | •     |      |       |       |            |       |      |             |       |       |
| •  | 10   |  |                               |             |       |      |       |       |            |       |      |             |       |       |

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Exhibit 2
page /of 3
Witness: Jim Adkins

Shelby Energy Cooperative Case No. 2009-00410

### Payroll Taxes

I

The employer's portion of FICA and medicare rates remain the same for 2010 as they were for 2009. The FICA rate is 6.2% and medicare is 1.45%. The wage limit increased to \$106,800 in 2009 and remains \$106,800 in 2010 for FICA; all wages are subject to medicare.

Federal unemployment rates are 0.80% for the first \$7,000 of wages and state unemployment rate is 1.0% for the first \$8,000 of wages.

100.00%

\$9,046

| 14 |             |                            |         |         |
|----|-------------|----------------------------|---------|---------|
| 15 | Proposed F  | FICA amounts               |         |         |
| 16 | FICA        |                            | 140,859 |         |
| 17 | Medicar     | re                         | 33,180  |         |
| 18 |             |                            | 174,039 |         |
| 19 | Proposed F  | FUTA                       | 1,958   |         |
| 20 | Proposed S  | SUTA                       | 2,784   | 178,782 |
| 21 |             |                            | ,       |         |
| 22 | Test year a | mount                      |         |         |
| 23 | FICA ar     | ıd Medicare                | 164,931 |         |
| 24 | Test year F | FUTA                       | 2,010   |         |
| 25 | Test year S | SUTA                       | 2,795   | 169,736 |
| 26 |             |                            |         |         |
| 27 | Increase    |                            | _       | 9,046   |
| 28 |             |                            |         |         |
| 29 | Adjustme    | nt:                        | Percent | Amount  |
| 30 |             |                            |         |         |
| 31 | 107         | Capitalized                | 35.65%  | 3,225   |
| 32 | 163 - 416   | Clearing and others        | 8.16%   | 738     |
| 33 | 580         | Operations                 | 14.75%  | 1,334   |
| 34 | 590         | Mainteneance               | 24.34%  | 2,202   |
| 35 | 901         | Consumer accounts          | 6.39%   | 578     |
| 36 | 908         | Customer service           | 3.32%   | 300     |
| 37 | 912         | Sales                      | 0.07%   | 7       |
| 38 | 920         | Administrative and general | 7.31%   | 661     |
|    |             |                            |         |         |

State umemployment (SUTA) wage rates are as follows:

| 44 | 2008 | 1.00% |
|----|------|-------|
| 45 | 2007 | 0.60% |
| 46 | 2006 | 0.50% |
| 47 | 2005 | 0.50% |
| 48 | 2004 | 0.50% |

Shelby Energy Cooperative Case No. 2009-00410 Employee Earnings and Hours July 31, 2009

|   | July 31, 2009 |            |              |           |           |        |              |           |            |          |
|---|---------------|------------|--------------|-----------|-----------|--------|--------------|-----------|------------|----------|
|   | =             | 1          | Social Secur | ity Wages | Medicare  | Wages  | Federal Uner | nployment | State Unem | ployment |
|   |               |            | T            |           |           |        | Up to        |           | Up to      |          |
|   | Employee      | Normalized | Up To        | @         | All Wages | 1.45%  | \$7,000      | 0.80%     | \$8,000    | 1.000%   |
|   | <u>Number</u> | Total      | \$106,800    | 6.20%     | All Wages | 1.4370 | Ψ7,000       |           |            |          |
|   |               | _          |              |           |           |        |              |           |            |          |
|   | Salaried Emp  |            | 04.079       | 5,833     | 94,078    | 1,364  | 7,000        | 56        | 8,000      | 80       |
| 1 | 101           | 94,078     | 94,078       | 3,868     | 62,379    | 904    | 7,000        | 56        | 8,000      | 80       |
| 1 | 305           | 62,379     | 62,379       | -         | 88,192    | 1,279  | 7,000        | 56        | 8,000      | 80       |
| 1 | 1301          | 88,192     | 88,192       | 5,468     | 120,037   | 1,741  | 7,000        | 56        | 8,000      | 80       |
| 1 | 1307          | 120,037    | 106,800      | 6,622     | 51,813    | 751    | 7,000        | 56        | 8,000      | 80       |
| 1 | 1501          | 51,813     | 51,813       | 3,212     | -         | 994    | 7,000        | 56        | 8,000      | 80       |
| 1 | 2301          | 68,557     | 68,557       | 4,251     | 68,557    | 774    | 7,000        |           | ,          |          |
| 6 | Subtotal Sala | 485,056    | 471,819      | 29,253    | 485,056   | 7,033  | 42,000       | 336       | 48,000     | 480      |
| U | Subtotal Sala | •          | ·            |           |           |        |              |           |            |          |
|   | Hourly Emp    | oloyees:   |              |           | 5.4.51.4  | 790    | 7,000        | 56        | 8,000      | 80       |
| 1 | 208           | 54,514     | 54,514       | 3,380     |           |        | 7,000        | 56        | 8,000      | 80       |
| 1 | 210           | 69,034     | 69,034       | 4,280     |           | 1,001  | •            | 56        | 8,000      | 80       |
| 1 | 302           | 109,905    | 106,800      | 6,622     |           | 1,594  |              | 56        | 8,000      | 80       |
| 1 | 304           | 40,893     | 40,893       | 2,535     |           | 593    |              | 56        | *          | 80       |
| 1 | 306           | 71,017     | 71,017       | 4,403     |           | 1,030  |              | 56        | •          | 80       |
| 1 | 307           | 45,498     | 45,498       | 2,821     |           | 660    |              |           |            | 80       |
| 1 | 403           | 37,491     | 37,491       | 2,324     |           | 544    |              | 56<br>56  | -          | 80       |
| 1 | 501           | 65,438     | 65,438       | 4,057     |           | 949    |              |           |            | 80       |
| 1 | 503           | 76,618     | 76,618       | 4,750     |           | 1,111  |              | 56        |            | 80       |
| 1 | 702           | 81,653     |              | 5,063     |           | 1,184  |              | 56        | -          |          |
| 1 | 705           | 44,352     |              | 2,750     |           |        |              | 56        |            |          |
| 1 | 706           | 103,534    |              | 6,419     |           |        |              | 56        |            |          |
| 1 | 801           | 62,177     |              | 3,855     |           |        |              |           |            |          |
| 1 | 802           | 41,805     |              | 2,592     | 41,805    |        |              |           |            |          |
|   | 1002          | 51,324     |              |           |           |        |              |           |            |          |
| 1 | 1201          | 34,322     |              | 2,128     |           | 498    | 7,000        | 56        | 8,000      | 80       |
| 1 | 1201          | J-T, J L Z | ,5           | ,         |           |        |              |           |            |          |

Shelby Energy Cooperative Case No. 2009-00410 Employee Earnings and Hours July 31, 2009

|    | July 31, 2009  |             |                  |           |           |          |              |           |            |          |
|----|----------------|-------------|------------------|-----------|-----------|----------|--------------|-----------|------------|----------|
|    | =              |             | Social Secur     | ity Wages | Medicare  | Wages    | Federal Unen | nployment | State Unem | ployment |
|    | 1              |             |                  |           |           | <u> </u> | Up to        |           | Up to      |          |
|    | Employee       | Normalized  | Up To            | @         | All Wages | 1.45%    | \$7,000      | 0.80%     | \$8,000    | 1.000%   |
|    | Number         | Total       | \$106,800        | 6.20%     | All wages | 1.4370   | \$7,000      |           |            |          |
|    |                |             | 00.028           | 6,196     | 99,928    | 1,449    | 7,000        | 56        | 8,000      | 80       |
| 1  | 1304           | 99,928      | 99,928           | 3,065     | 49,431    | 717      | 7,000        | 56        | 8,000      | 80       |
| 1  | 1306           | 49,431      | 49,431           | 5,781     | 93,248    | 1,352    | 7,000        | 56        | 8,000      | 80       |
| 1  | 1403           | 93,248      | 93,248           | 5,021     | 80,977    | 1,174    | 7,000        | 56        | 8,000      | 80       |
| 1  | 1801           | 80,977      | 80,977           | 5,879     | 94,822    | 1,375    | 7,000        | 56        | 8,000      | 80       |
| 1  | 1902           | 94,822      | 94,822           | 5,154     | 83,124    | 1,205    | 7,000        | 56        | 8,000      | 80       |
| 1  | 2006           | 83,124      | 83,124           | 5,764     | 92,960    | 1,348    | 7,000        | 56        | 8,000      | 80       |
| 1  | 2306           | 92,960      | 92,960           | 5,704     | 85,166    | 1,235    | 7,000        | 56        | 8,000      | 80       |
| 1  | 2309           | 85,166      | 85,166           | 4,209     | 67,892    | 984      |              | 56        | 8,000      | 80       |
| 1  | 2312           | 67,892      | 67,892<br>37,838 | 2,346     | 37,838    | 549      | 7,000        | 56        | 8,000      | 80       |
| 1  | 2314           | 37,838      | 37,838           | 2,340     | 57,050    | 0.7      | ,            |           |            |          |
| 26 | Subtotal hour  | 1,774,963   | 1,771,857        | 109,855   | 1,774,963 | 25,737   | 182,000      | 1,456     | 208,000    | 2,080    |
|    | Summer and     | Part Time E | Employees:       |           | 6.715     | 97       | 6,715        | 54        | 6,715      | 67       |
| 1  | 104            | 6,715       |                  | 416       | 6,715     | 112      | •            | 56        | -          | 77       |
| 1  | 708            | 7,733       |                  | 479       | 7,733     | 200      |              | 56        | -          | 80       |
| 1  | 1802           | 13,801      | 13,801           | 856       | 13,801    | 200      | 7,000        | 50        | 0,000      |          |
| 3  | Subtotal sum   | 28,250      | 28,250           | 1,751     | 28,250    | 410      | 20,715       | 166       | 22,448     | 224      |
| 1  | Retirees: 2307 |             |                  |           |           |          |              |           |            |          |
| 1  | Subtotal retin | rı C        | 0                | 0         | 0         | ) (      | ) 0          | C         | ) 0        | 0        |
|    | Total          | 2,288,268   | 3 2,271,926      | 140,859   | 2,288,268 | 33,180   | 244,715      | 1,958     | 278,448    | 2,784    |

| 1  | Exhibit 3   |
|----|---|
| 2  | page 1 of 6   |
| 3  | Witness: Jim Adkins   |
| 4  | Shelby Energy Cooperative   |
| 5  | Case No. 2009-00410   |
| 6  | July 31, 2009   |
| 7  |   |
| 8  | Depreciation Expense  |
| 9  |   |
| 10 | Depreciation is computed on a composite basis. The ending plant balance is multiplied by  |
| 11 | rates that are within RUS approved guidelines. Depreciation rates and procedures follow   |
| 12 | RUS Bulletin 183-1. Shelby Energy has never had a depreciation study performed. There     |
| 13 | are no changes proposed to the rates.   |
| 14 |   |
| 15 | Depreciation on transportation equipment is charged to a clearing account. Transportation |
| 16 | costs are then cleared to various accounts based on time used for each vehicle from the   |
| 17 | daily time sheets of employees driving the vehicles.                                      |
| 18 |   |
| 19 | Items fully-depreciated have been removed and identified on the far right column.         |
| 20 |   |
| 21 |   |
| 22 |   |
| 23 |   |
| 24 |   |
|    |   |

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| 1<br>2<br>3<br>4<br>5 | •  | Energy Cooperative<br>e No. 2009-00410   | Exhibit 3 page <b>2</b> of 6 Witness: Jim Adkins |
|-----------------------|--|--|--|
| 6                     |  | July 31, 2009  |  |
| 7<br>8<br>9           | Normalized depreciation accrual:  Distribution plant | 1,808,664  |  |
| 11                    | General plant  | 195,575  |  |
| 12                    | Less charged to clearing                             | (131,735)  |  |
| 13                    | · ·  | and the second s | 1,872,504  |
| 14                    |  |  |  |
| 15                    | Test year depreciation accrual:                      |  |  |
| 16                    | Distribution plant                                   | 1,766,504  |  |
| 17                    | General plant  | 201,065  |  |
| 18                    | Less charged to clearing                             | (137,856)  |  |
| 19                    |  |  | 1,829,713  |
| 20                    | Normalized depreciation adjustment                   | ==   | 42,791   |
| 21                    |  |  |  |
| 22                    |  |  |  |
| 23                    | Transportation clearing                              |  | 101.705  |
| 24                    | Normalized accrual                                   |  | 131,735  |
| 25                    | Test year accrual                                    | •  | 137,856  |
| 26                    |  | =  | (6,121)  |
| 27                    |  |  |  |

The allocation of the increase in depreciation on transportation equipment is based on actual test year transportation clearing.

| 31<br>3∠ | Account                          | <u>%</u> | Amount    |
|----------|----------------------------------|----------|-----------|
| 33       | Construction and retirement WIP  | 34%      | (\$2,107) |
| 34       | Others                           | 1%       | (72)      |
| 35       | Distribution - operations        | 15%      | (921)     |
| 36       | Distribution - maintenance       | 27%      | (1,647)   |
| 37       | Consumer accounts                | 7%       | (423)     |
| 38       | Consumer service and information | 6%       | (350)     |
| 39       | Administrative and general       | 10%      | (601)     |
| 40       | Total                            | 100%     | (\$6,121) |

Exhibit 3 page 3 of 4 Witness: Jim Adkins

Items

| Shelby Energy C<br>Case No. 2009<br>July 31, 20 | 9-00410  |
|---|----------|
| Test Veer                                       | Evicting |

| 8<br>9<br>10 | Account<br>Number | <u>Description</u>                    | Test Year<br><u>Balance</u> | Existing<br><u>Rate</u> | Normalized<br>Expense | Test Year<br>Expense | Fully- Depreciated |
|--------------|-------------------|---------------------------------------|-----------------------------|-------------------------|-----------------------|----------------------|--------------------|
| 11           | Distrib           | ution plant                           |                             |                         |                       |                      |                    |
| 12           | 364               | ution plant: Poles, towers & fixtures | 18,496,901                  | 3.00%                   | 554,907               | 540,776              |                    |
| 13           | 365               | Overhead conductors & devices         | 17,024,566                  | 3.00%                   | 510,737               | 501,126              |                    |
| 14           | 366               | Underground conduit                   | 307,519                     | 3.00%                   | 9,226                 | 9,165                |                    |
| 15           | 367               | Underground conductor & devices       | 3,339,955                   | 3.00%                   | 100,199               | 98,445               |                    |
| 16<br>17     | 368               | Line transformers                     | 8,718,269                   | 3.00%                   | 261,548               | 255,360              |                    |
| 17           | 369               | Services                              | 9,242,035                   | 3.00%                   | 277,261               | 269,429              |                    |
| 19           | 370               | Meters                                | 1,458,360                   | 3.00%                   | 43,751                | 42,658               |                    |
| 20           | 371               | Installations on customer premises    | 1,642,267                   | 3.00%                   | 49,268                | 47,789               |                    |
| 21           | 373               | Street lights                         | 58,916                      | 3.00%                   |                       | 1,756                |                    |
| 22           |                   |                                       | 60,288,788                  |                         | 1,808,664             | 1,766,504            | -                  |
| 23           |                   | •                                     |                             |                         |                       |                      |                    |
| 24           | Gene              | eral plant:                           |                             |                         |                       |                      |                    |
| 25           | 389               | Ĺand                                  | 22,085                      | 0.000/                  | 25 142                | 24 402               | 0                  |
| 26           | 390               | Structures and improvements           | 1,171,415                   | 3.00%                   |                       | 34,492               | 38,208             |
| 27           | 391               | Office furn and eqt                   | 299,009                     | 6.00%                   |                       | 14,444               | 242,874            |
| 28           | 392               | Transportation                        | 1,229,799                   | 12.50%                  |                       | 128,983<br>241       | 0                  |
| 29           | 393               | Stores                                | 5,021                       | 4.80%                   |                       | 703                  | 3,780              |
| 30           | 394               | Tools, shop and garage                | 18,422                      | 4.80%                   |                       | 2,284                | 36,205             |
| 31           | 395               | Laboratory                            | 83,197                      | 4.80%                   |                       | 8,873                | 74,638             |
| 32           | 396               | Power operated                        | 136,635                     | 13.50%                  |                       | 9,761                | 61,581             |
| 33           | 397               | Communications                        | 193,201                     | 6.50%                   | •                     | 1,284                | 4,282              |
| 34           | 398               | Miscellaneous                         | 31,260                      | 4.80%                   | 195,575               | 201,065              |                    |
| 35           |                   |                                       | 3,190,044                   |                         | 2,004,239             | 1,967,569            |                    |
| 36           |                   | Total electric plant                  | 63,478,832                  |                         | 2,004,239             | 1,907,509            | =                  |

Items that are fully depreciated are removed from the ending balance to compute test year depreciation.

Shelby Energy Cooperative Case No. 2009-00410 July 31, 2009

1

31 32 Exhibit 3
page 4 of 6

| 3<br>4<br>5  |   | ո electric plant:   | Begin<br><u>Balance</u>  | Additions I  | Retirements   | <u>Transfer</u> | End<br><u>Balance</u>  |
|--|---|---|--|--|---|-----------------|--|
| 6<br>7<br>8<br>9<br>10<br>11<br>12<br>13<br>14<br>15           | 364<br>365<br>366<br>367<br>368<br>369<br>370<br>371<br>373   | Poles, towers & fixtures Overhead conductors & devices Underground conduit Underground conductor & devices Line transformers Services Meters Installations on customer premises Street lights | 17,794,342<br>16,605,815<br>307,519<br>3,266,676<br>8,421,031<br>8,839,224<br>1,404,369<br>1,564,811<br>58,916<br>58,262,703 | 809,752<br>475,511<br>0<br>76,728<br>391,498<br>441,871<br>56,550<br>93,966<br>0 | 107,193<br>56,760<br>3,449<br>94,260<br>39,060<br>2,559<br>16,510 | 0               | 18,496,901<br>17,024,566<br>307,519<br>3,339,955<br>8,718,269<br>9,242,035<br>1,458,360<br>1,642,267<br>58,916 |
| 17<br>18<br>19<br>20<br>21<br>22<br>23<br>24<br>25<br>26<br>27 | 389<br>390<br>391<br>392<br>393<br>394<br>395<br>396.1<br>397 | Land Structures and improvements Office furn and eqt Transportation Stores Tools, shop and garage Laboratory Power operated Communication   | 22,085<br>1,171,415<br>260,499<br>1,417,398<br>5,021<br>18,422<br>81,084<br>94,141<br>182,365<br>30,687                      | 0<br>0<br>38,510<br>37,625<br>0<br>0<br>2,113<br>42,494<br>10,836                | 225,224   |                 | 22,085 1,171,415 299,009 1,229,799 5,021 18,422 83,197 136,635 193,201 30,687                                  |
| 28<br>29   | 398   | Miscellaneous Subtotal general plant  | 3,283,117  | 131,578  |   |                 | 3,189,471<br>63,478,259  |
| 30   |   | Total electric plant in service   | 61,545,820   | 2,77,73  | , , , , ,   |                 |  |

| 1 2 3                 | Shelby Energy Cooperative  Case No. 2009-00410  July 31, 2009 |  |                |                         |                        |                             |                      |                       |
|-----------------------|---|--|----------------|-------------------------|------------------------|-----------------------------|----------------------|-----------------------|
| 4<br>5<br>6<br>7<br>8 | Changes in reserve for depreci                                | <b>ation:</b><br>Begin<br><u>Balance</u> | <u>Accrual</u> | Original<br><u>Cost</u> | Removal<br><u>Cost</u> | Gain/Loss<br><u>Salvage</u> | Net<br><u>Charge</u> | End<br><u>Balance</u> |
| 9<br>10               |   | 0.220.844                                | 1,766,504      | 319,791                 | 184,985                | 98,227                      | 406,549              | 9,689,799             |
| 11                    | Distribution plant  | 8,329,844                                | 1,700,304      | 313,752                 |                        |                             |                      |                       |
| 12                    |   |  |                |                         |                        |                             |                      |                       |
| 13                    | Land  | 000 001                                  | 34,492         | 0                       |                        |                             |                      | 856,773               |
| 14                    | Structures and improvements                                   | 822,281                                  |                | 0                       |                        |                             |                      | 135,483               |
| 15                    | Office furn and eqt   | 121,039                                  | 14,444         |                         |                        | 130,477                     |                      | 400,510               |
| 16                    | Transportation  | 366,274                                  | 128,983        | 225,224                 |                        | 130,477                     |                      | 5,201                 |
| 10                    | Stores  | 4,960                                    | 241            | 0                       |                        |                             |                      | 13,860                |
|                       |   | 13,157                                   | 703            | 0                       |                        |                             |                      | •                     |
| 17                    | Tools, shop and garage  | 59,456                                   | 2,284          | 0                       |                        |                             |                      | 61,740                |
| 18                    | Laboratory  | 61,141                                   | 8,873          | 0                       |                        |                             |                      | 70,014                |
| 19                    | Power operated  | ,  | •              | 0                       |                        |                             |                      | 117,802               |
| 20                    | Communication   | 108,041                                  | 9,761          |                         |                        |                             |                      | 17,180_               |
| 21                    | Miscellaneous   | 15,896                                   | 1,284          | 0                       |                        | 130,477                     | 0                    | 1,678,563             |
| 22                    | Subtotal general plant  | 1,572,245                                | 201,065        | 225,224                 |                        |                             | 21,453               | 32,359                |
|                       | Retirement WIP  | 10,906                                   |                |                         | 21,453                 |                             |                      |                       |
| 23                    | depreciation  | 9.891,183                                | 1,967,569      | 545,015                 | 163,532                | 2 228,704                   | 385,096              | 11,550,005            |

1,967,569

9,891,183

Total accumulated depreciation

Exhibit 3
page of 6
Witness: Jim Adkins

### Shelby Energy Cooperative Case No. 2009-00410 **Depreciation Guideline Curve** July 31, 2009

| 10 |              |                | Accumulated         |         | Ratio of Current     |
|----|--------------|----------------|---------------------|---------|----------------------|
| 11 |              | Distribution   | Deprec              |         | Distribution Plant   |
| 12 | Year         | Plant in       | for                 | Reserve | to Distribution      |
| 13 | <b>Ended</b> | <u>Service</u> | <b>Distribution</b> | Ratio   | Plant 10 Years Prior |
| 14 |              |                |                     |         |                      |
| 15 | 2008         | 59,185,890     | 8,921,038           | 15.07%  | 1.78                 |
| 16 | 2007         | 56,753,768     | 7,784,798           | 13.72%  | 1.85                 |
| 17 | 2006         | 54,072,976     | 7,035,972           | 13.01%  | 1.95                 |
| 18 | 2005         | 51,243,615     | 6,339,269           | 12.37%  | 2.01                 |
| 19 | 2004         | 48,260,929     | 5,881,732           | 12.19%  | 2.10                 |
| 20 |              |                |                     |         |                      |
| 21 |              |                |                     |         |                      |
| 22 | 1998         | 33,244,978     | 3,780,144           | 11.37%  |                      |
| 23 | 1997         | 30,602,070     | 3,677,050           | 12.02%  |                      |
| 24 | 1996         | 27,738,715     | 3,376,712           | 12.17%  |                      |
| 25 | 1995         | 25,445,554     | 3,291,306           | 12.93%  |                      |
| 26 | 1994         | 23,005,394     | 3,098,434           | 13.47%  |                      |
| 27 |              |                |                     |         |                      |
| 28 |              |                |                     |         |                      |

Exhibit 4 page 1 of 5 Witness: Jim Adkins

# Shelby Energy Cooperative Case No. 2009-00410 Analysis of Other Operating Taxes 12 Months Ended July 31, 2009

| Line<br>No. | <u>Item</u><br>(a)   | Charged<br>Expense<br>(b) | Charged<br>to<br><u>Construction</u><br>(c) | Charged<br>to Other<br><u>Accounts</u><br>(d) | Amounts <u>Accrued</u> (e) | Amount<br><u>Paid</u><br>(f) |
|-------------|--|---------------------------|---|---|----------------------------|------------------------------|
| 1.          | Kentucky Retail: (a) State Income  |                           |   |   |                            |                              |
|             | (b) Franchise Fees (c) Ad Valorem (d) Remail (Employer's                   | 516,630                   |   |   | 516,630                    | 516,630                      |
|             | <ul><li>(d) Payroll (Employer's Portion)</li><li>(e) Other Taxes</li></ul> | 95,375<br>35,224          | 60,511                                      | 13,850  | 169,736<br>35,224          | 169,736<br>35,224            |
| 2.          | Total Retail<br>(L1(a) through L1(e)                                       | 647,229                   | 60,511                                      | 13,850  | 721,590                    | 721,590                      |
| 3.          | Other Jurisdictions Total Per Books (L2 and L3)                            | 647,229                   | 60,511                                      | 13,850  | 721,590                    | 721,590                      |
| Allocat     | ion of adjustment:   |                           |   |   |                            |                              |
| 583         | Overhead line exp  | 81%                       |   |   |                            |                              |
| 586         | Meter exp  | 4%                        |   |   |                            |                              |
| 587         | Customer installation exp  | 4%                        |   |   |                            |                              |
| 588         | Miscellaneous distribution exp   | 5%<br>4%                  | ,   |   |                            |                              |
| 903         | Consumer records Misc customer service                                     | 1%                        |   |   |                            |                              |
| 910<br>921  | Office supply and exp  | 2%                        |   |   |                            |                              |
|             |  | 100%                      | 24,458                                      |   |                            |                              |

2 3

|                            |             | July 31,       | 2009       |            |                  |               |          |
|----------------------------|-------------|----------------|------------|------------|------------------|---------------|----------|
| Г                          | Assessm     | ent for 2008 T | axes       | Assessm    | ent for 2007     |               | Increase |
|                            | Assessed    | Tax            | Tax        | Assessed   | Tax              | Tax           | Decrease |
| Taxing District            | Value       | Rate           | Due        | Value      | Rate             | Due           | in Taxes |
| Anderson County            |             |                |            | 22.222     | 0.1005           | 44.20         |          |
| Tangible - County          | 27,778      | 0.1895         | 52.64      | 23,323     | 0.1895           | 44.20         | 2        |
| Tangible - School          | 27,778      | 0.5520         | 153.33     | 23,323     | 0.5470           | 127.58        | •        |
| Tangible - Library         | 27,778      | 0.1995         | 55.42      | 23,323     | 0.2000           | 46.65         |          |
| Tangible - Health          | 27,778      | 0.0300         | 8.33       | 23,323     | 0.0300           | 7.00          |          |
| Tangible - Fire            | 27,778      | 0.0800         | 22.22      | 23,323     | 0.0800           | 18.66         |          |
| Carroll County             |             |                |            |            |                  |               |          |
| Real Estate - County       | 16,308      | 0.0499         | 8.14       | 16,672     | 0.0499           | 8.32          |          |
| Real Estate - Common Sch   | 16,308      | 0.0540         | 8.81       | 16,672     | 0.4840           | 80.69         | (        |
| Real Estate - Health       | 16,308      | 0.0840         | 13.70      | 16,672     | 0.0540           | 9.00          |          |
| Real Estate - Library      | 16,308      | 0.5000         | 81.54      | 16,672     | 0.0790           | 13.17         |          |
| Tangible - County          | 2,281,977   | 0.1530         | 3,491.42   | 2,203,291  | 0.1530           | 3,371.04      | 1        |
| Tangible - Common Schoo    | 2,281,977   | 0.5400         | 12,322.68  | 2,203,291  | 0.4840           | 10,663.93     | 1,6      |
| Tangible - Health          | 2,281,977   | 0.0949         | 2,165.60   | 2,203,291  | 0.0540           | 1,189.78      | 9        |
| Tangible - Library         | 2,281,977   | 0.0500         | 1,140.99   | 2,203,291  | 0.1099           | 2,421.42      | (1,2)    |
| Tangiole - Liotary         | 2,201,7 ! * | 0.0500         | 1,1 10.22  |            |                  |               |          |
| Franklin County            | 00          | 0.1450         | 0.14       | 102        | 0.1400           | 0.14          |          |
| Real Estate - County       | 99          | 0.1450         | 0.14       | 102        |                  | 0.14          |          |
| Real Estate - Common Sch   | 99          | 0.5300         | 0.52       | 102        | 0.5210           | 0.33          |          |
| Real Estate - Extension    | 99          | 0.0120         | 0.01       | 102        | 0.0120           | 0.01          |          |
| Real Estate - Library      | 99          | 0.0990         | 0.10       | 102        | 0.0930           | 0.04          |          |
| Real Estate - Health       | 99          | 0.0400         | 0.04       | 102        | 0.0400<br>0.0080 | 0.04          |          |
| Real Estate - Conservation | 99          | 0.0080         | 0.01       | 102        |                  | 32.13         |          |
| Tangible - County          | 13,749      | 0.2400         | 33.00      | 13,386     | 0.2400           |               |          |
| Tangible - Common Schoo    | 13,749      | 0.5300         | 72.87      | 13,386     | 0.5210           | 69.74<br>2.58 |          |
| Tangible - Extension       | 13,749      | 0.0206         | 2.83       | 13,386     | 0.0193           |               |          |
| Tangible - Library         | 13,749      | 0.2000         | 27.50      | 13,386     | 0.2000           | 26.77<br>5.35 |          |
| Tangible - Health          | 13,749      | 0.0400         | 5.50       | 13,386     | 0.0400           | 3.33          |          |
| Henry County               |             |                |            |            |                  |               |          |
| Real Estate - County       | 87,197      | 0.1170         | 102.02     | 88,045     | 0.1170           | 103.01        |          |
| Real Estate - Common Sch   | 87,197      | 0.5580         | 486.56     | 88,045     | 0.5430           | 478.08        |          |
| Real Estate - Extension    | 87,197      | 0.0340         | 29.65      | 88,045     | 0.0300           | 26.41         |          |
| Real Estate - Health       | 87,197      | 0.0400         | 34.88      | 88,045     | 0.0400           | 35.22         |          |
| Real Estate - Library      | 87,197      | 0.0560         | 48.83      | 88,045     | 0.0490           | 43.14         |          |
| Real Estate - Conservation | 87,197      | 0.0070         | 6.10       | 88,045     | 0.0070           | 6.16          |          |
| Tangible - County          | 11,910,933  | 0.1590         | 18,938.38  | 11,361,266 | 0.1590           | 18,064.41     | 8        |
| Tangible - Common Schoo    | 11,910,933  | 0.5590         | 66,582.12  | 11,361,266 | 0.5430           | 61,691.67     | 4,8      |
| Tangible - Extension       | 11,910,933  | 0.0676         | 8,051.79   | 11,361,266 | 0.0482           | 5,476.13      | 2,5      |
| Tangible - Health          | 11,910,933  | 0.0400         | 4,764.37   | 11,361,266 | 0.0400           | 4,544.51      | 2        |
| Tangible - Library         | 11,910,933  | 0.1192         | 14,197.83  | 11,361,266 | 0.0976           | 11,088.60     | 3,1      |
|                            | . ,         |                |            |            |                  | 119,696.18    | 13,213   |
| page totals -              |             |                | 132,909.87 |            |                  | 117,070.10    | 13,413   |

| 2 |  |
|---|--|
| 3 |  |
| 4 |  |
| 5 |  |

|        | Γ   | Assessn  | nent for 2008 T | axes     | Assessment for 2007 Taxes |        |          | Increase |
|--------|---|----------|-----------------|----------|---------------------------|--------|----------|----------|
| ,      | ļ.  | Assessed | Tax             | Tax      | Assessed                  | Tax    | Tax      | Decrease |
|        | Taxing District                                   | Value    | Rate            | Due      | Value                     | Rate   | Due      | in Taxes |
| }      |   |          |                 |          |                           |        |          |          |
| )      | T 00  |          |                 |          |                           |        |          |          |
| 0      | Jefferson County Real Estate - Eastwd FRN         | 191      | 0.1000          | 0.19     | 197                       | 0.1000 | 0.20     | (0)      |
| 1      |   | 191      | 0.1255          | 0.24     | 197                       | 0.1255 | 0.25     | (0)      |
| 12     | Real Estate - Metro FRN                           | 191      | 0.6250          | 1.19     | 197                       | 0.6150 | 1.21     | (0)      |
| 13     | Real Estate - JCPS FRN                            | 26,566   | 0.0250          | 44.10    | 25,864                    | 0.1660 | 42.93    | ì        |
| .4     | Tangible - County                                 |          | 0.6310          | 167.63   | 25,864                    | 0.6270 | 162.17   | 5        |
| 15     | Tangible - School                                 | 26,566   | 0.0310          | 26.57    | 25,864                    | 0.1000 | 25.86    | 1        |
| 16     | Tangible - Eastwood Fire                          | 26,566   | 0.1000          | 20.57    | 25,604                    | 0.1000 | 23.00    | -        |
| 7      | Oldham County                                     |          |                 |          |                           |        |          |          |
| 8      | Real Estate - County                              | 1,373    | 0.0900          | 1.24     | 1,375                     | 0.0900 | 1.24     | (0)      |
| 9      | Real Estate - Common Sch                          | 1,373    | 0.4450          | 6.11     | 1,375                     | 0.4450 | 6.12     | (0)      |
| 0      | Real Estate - Library                             | 1,373    | 0.0230          | 0.32     | 1,375                     | 0.0230 | 0.32     | (0)      |
| 1      | Real Estate - Health                              | 1,373    | 0.0200          | 0.27     | 1,375                     | 0.0200 | 0.28     | (0)      |
| 2      | Real Estate - Bldg                                | 1,373    | 0.2240          | 3.08     | 1,375                     | 0.2240 | 3.08     | (0)      |
| 3      | Real Estate - Ambulance                           | 1,373    | 0.0474          | 0.65     | 1,375                     | 0.0474 | 0.65     | (0)      |
| 4      | Real Estate - Ballard FD                          | 468      | 0.1000          | 0.47     | 482                       | 0.1000 | 0.48     | (0)      |
| 5      | Real Estate - LaGrange FD                         | 702      | 0.1000          | 0.70     | 723                       | 0.1000 | 0.72     | (0)      |
| 6<br>7 | Real Estate - So Old FD                           | 203      | 0.0900          | 0.18     | 209                       | 0.0800 | 0.17     | 0        |
|        | Tangible - County                                 | 190,906  | 0.1180          | 225.27   | 180,775                   | 0.0900 | 162.70   | 63       |
| 8<br>9 | Tangible - Common School                          | ,        | 0.4450          | 849.53   | 180,775                   | 0.4450 | 804.45   | 45       |
|        | Tangible - Common School                          | 190,906  | 0.0659          | 125.81   | 180,775                   | 0.0230 | 41.58    | 84       |
| )      | Tangible - Library  Tangible - Health             | 190,906  | 0.0200          | 38.18    | 180,775                   | 0.0200 | 36.16    | 2        |
| 1      | Tangible - Health Tangible - Bldg                 | 190,906  | 0.2240          | 427.63   | 180,775                   | 0.2240 | 404.94   | 23       |
| 2      | Tangible - Ambulance                              | 190,906  | 0.0474          | 90.49    | 180,775                   | 0.0474 | 85.69    | 5        |
| 3      |   | 65,134   | 0.1000          | 65.13    | 63,412                    | 0.1000 | 63.41    | 2        |
| 4      | Tangible - Ballard FD<br>Tangible - LaGrange FD   | 97,643   | 0.1000          | 97.64    | 95,061                    | 0.1000 | 95.06    | 3        |
| 5      |   | 28,221   | 0.0900          | 25.40    | 27,475                    | 0.0800 | 21.98    | 3        |
| 16     | Tangible - So Old FD                              | 20,221   | 0.0700          | 23.10    | 2,,                       |        |          |          |
| 7      | O Country   |          |                 |          |                           |        |          |          |
| 38     | Owen County Real Estate - County                  | 492      | 0.3290          | 1.62     | 506                       | 0.3300 | 1.67     | (0)      |
| 9      | Real Estate - County  Real Estate - Common School |          | 0.5480          | 2.70     | 506                       | 0.5510 | 2.79     | (0)      |
| 0      | Tangible - County                                 | 68,397   | 0.4876          | 333.50   | 66,588                    | 0.4876 | 324.68   | 9        |
| 11     | Tangible - County Tangible - School               | 68,397   | 0.6040          | 413.12   | 66,588                    | 0.6000 | 399.53   | 14       |
| 42     | rangiole - School                                 | 00,577   | 3.0010          |          | ,- ,-                     |        |          |          |
| 43     | page totals                                       |          |                 | 2,948.96 |                           |        | 2,690.30 | 258.66   |
| 44     | page totals                                       |          |                 |          |                           |        |          |          |

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|   |                           | July 31, |                           |            |        |            |          |
|---|---------------------------|----------|---------------------------|------------|--------|------------|----------|
| -   | Assessment for 2008 Taxes |          | Assessment for 2007 Taxes |            |        | Increase   |          |
| ļ   |                           | Tax      | Tax                       | Assessed   | Tax    | Tax        | Decrease |
|   | Assessed<br>Value         | Rate     | Due                       | Value      | Rate   | Due        | in Taxes |
| Taxing District                                   | value                     | Rate     |                           |            |        |            |          |
| Shelby County                                     |                           |          |                           |            | 0.1100 | 567.10     | 18       |
| Real Estate - County                              | 532,131                   | 0.1100   | 585.34                    | 515,542    | 0.1100 |            | 148      |
| Real Estate - County                              | 532,131                   | 0.6450   | 3,432.24                  | 515,542    | 0.6370 | 3,284.00   |          |
| Real Estate - Common Schi                         | 532,131                   | 0.0375   | 199.55                    | 515,542    | 0.0375 | 193.33     | 6        |
| Real Estate - Health                              |                           | 0.0197   | 104.83                    | 515,542    | 0.0187 | 96.41      | 8        |
| Real Estate - Extension                           | 532,131                   | 0.0310   | 164.96                    | 515,542    | 0.0310 | 159.82     | 5        |
| Real Estate - Library                             | 532,131                   |          | 186.25                    | 515,542    | 0.0350 | 180.44     | 6        |
| Real Estate - Landfill                            | 532,131                   | 0.0350   | 53.21                     | 515,542    | 0.0100 | 51.55      | 2        |
| Real Estate - Conservation                        | 532,131                   | 0.0100   |                           | 444,384    | 0.1000 | 444.38     | 16       |
| Real Estate - Shelby Subrba                       | 459,994                   | 0.1000   | 459.99                    |            | 0.1000 | 17.29      | 2        |
| Real Estate - Simpsonville                        | 19,233                    | 0.1000   | 19.23                     | 17,294     | 0.1000 | 1.31       | (0       |
| Real Estate - Long Run FD                         | 1,274                     | 0.1000   | 1.27                      | 1,312      |        | 0.80       | (0       |
| Real Estate - Ballardsville                       |                           | 0.1000   | 0.68                      | 803        | 0.1000 | 1.85       | 0        |
| Real Estate - Pewee Valley                        |                           | 0.1000   | 1.87                      | 1,852      | 0.1000 |            | (0       |
| Real Estate - US 60 East F                        |                           | 0.0900   | 9.18                      | 10,469     | 0.0900 | 9.42       | 3        |
| Real Estate Woddy Ed                              | 9,137                     | 0.1000   | 9.14                      | 9,258      | 0.0700 | 6.48       |          |
| Real Estate - Waddy Fd                            | 20,697                    | 0.0900   | 18.63                     | 21,186     | 0.0900 | 19.07      | (0       |
| Real Estate - Bagdad FD                           |                           | 0.0900   | 1.16                      | 1,287      | 0.0800 | 1.03       | (        |
| Real Estate - So Oldham F.                        |                           | 0.1160   | 19,012.03                 | 15,679,903 | 0.1160 | 18,188.69  | 823      |
| Tangible - County                                 | 16,389,681                | 0.6650   | 108,991.38                | 15,679,903 | 0.6640 | 104,114.56 | 4,877    |
| Tangible - Common Schoo                           | 16,389,681                |          | 6,146.13                  | 15,679,903 | 0.0375 | 5,879.96   | 266      |
| Tangible - Library                                | 16,389,681                | 0.0375   |                           | 15,679,903 | 0.0222 | 3,480.94   | 305      |
| Tangible - Extension                              | 16,389,681                | 0.0231   | 3,786.02                  | 15,679,903 | 0.0421 | 6,601.24   | 217      |
| Tangible - Health                                 | 16,389,681                | 0.0416   | 6,818.11                  | 3,845      | 0.0700 | 2.69       | (        |
| Tangible - Mt Eden FD                             | 4,058                     | 0.0700   | 2.84                      | 5,327,104  | 0.1000 | 5,327.10   | 173      |
| Tangible - Shelby Suburba                         | 1 5,499,724               | 0.1000   | 5,499.72                  |            | 0.1000 | 2,274.48   | 400      |
| Tangible - Simpsonville                           | 2,674,754                 | 0.1000   | 2,674.75                  | 2,274,482  |        | 243.58     | 10       |
| Tangible - Pewee Valley F                         | 1 259,676                 | 0.1000   | 259.68                    | 243,575    | 0.1000 | 353.93     | 4        |
| Tangible - Mt Eden FD                             | 564,304                   | 0.0700   | 395.01                    | 505,617    | 0.0700 | 333.73     | -        |
| Spencer County                                    |                           |          |                           |            | 0.0000 | 0.58       | (        |
| Real Estate - County                              | 642                       | 0.0880   | 0.56                      | 661        | 0.0880 | 0.58       | (        |
| Real Estate - Common Sci                          |                           | 0.5430   | 3.49                      | 661        | 0.5220 | 3.45       |          |
| Real Estate - Common Gen<br>Real Estate - Library | 642                       | 0.0350   | 0.22                      | 661        | 0.0310 | 0.20       |          |
| Real Estate - Extension                           | 642                       | 0.0343   | 0.22                      | 661        | 0.0343 | 0.23       | (        |
| Real Estate - Extension                           | 642                       | 0.0400   | 0.26                      | 661        | 0.0400 | 0.26       | (        |
| Real Estate - Health                              | 642                       | 0.0090   | 0.06                      | 661        | 0.0090 | 0.06       | (        |
| Real Estate - Soil                                |                           | 0.0500   | 0.27                      | 553        | 0.0500 | 0.28       | (        |
| Real Estate - Spencer Fire                        | 537                       |          | 0.07                      | 108        | 0.0700 | 0.08       | (        |
| Real Estate - Mt. Eden Fin                        | re 105                    | 0.0700   | 109.81                    | 86,916     | 0.1230 | 106.91     |          |
| Tangible - County                                 | 89,277                    | 0.1230   |                           | 86,916     | 0.5400 | 469.35     | 1        |
| Tangible - School                                 | 89,277                    | 0.5440   | 485.67                    | 86,916     | 0.1655 | 143.85     | (5       |
| Tangible - Library                                | 89,277                    | 0.1013   | 90.44                     | 00,710     | 0.1033 | 154.88     |          |
| Tangible - Extension                              | 89,277                    | 0.1782   | 159.09                    | 86,916     | 0.1782 | 34.77      |          |
| Tangible - Health                                 | 89,277                    | 0.0400   | 35.71                     | 86,916     |        | 36.37      |          |
| Tangible - Spencer Fire                           | 74,712                    | 0.0500   | 37.36                     | 72,737     | 0.0500 |            |          |
| Langiore - openeer into                           |                           | 0.0700   | 10.20                     | 14,180     | 0.0700 | 9.93       |          |
| Tangible - Mt Eden FD                             | 14,565                    | 0.0700   | 10.20                     | ,          |        |            |          |

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| <u></u>                       | Assessment for 2008 Taxes |        | axes       | Assessment for 2007 Taxes |         |                | Increase   |
|-------------------------------|---------------------------|--------|------------|---------------------------|---------|----------------|------------|
|                               | Assessed                  | Tax    | Tax        | Assessed                  | Tax     | Tax            | Decrease   |
| Taxing District               | Value                     | Rate   | Due        | Value                     | Rate    | Due            | in Taxes   |
|                               |                           |        |            |                           |         |                |            |
| Trimble County                | 50 (05                    | 0.0710 | 37.41      | 53,758                    | 0.0710  | 38.17          | (1)        |
| Real Estate - County          | 52,695                    | 0.5600 | 295.09     | 53,758                    | 0.5400  | 290.29         | <b>`</b> 5 |
| Real Estate - Common Scho     | 52,695                    |        | 52.70      | 53,758                    | 0.0910  | 48.92          | 4          |
| Real Estate - Library         | 52,695                    | 0.1000 | 20.02      | 53,758                    | 0.0380  | 20.43          | (0)        |
| Real Estate - Extension       | 52,695                    | 0.0380 | 20.02      | 53,758                    | 0.0400  | 21.50          | (0)        |
| Real Estate - Health          | 52,695                    | 0.0400 |            | 6,655,969                 | 0.0750  | 4,991.98       | 183        |
| Tangible - County             | 6,899,956                 | 0.0750 | 5,174.97   |                           | 0.5400  | 35,942.23      | 2,698      |
| Tangible - Common School      | 6,899,956                 | 0.5600 | 38,639.75  | 6,655,969                 | 0.3400  | 12,053.96      | (2,580)    |
| Tangible - Library            | 6,899,956                 | 0.1373 | 9,473.64   | 6,655,969                 | 0.1611  | 4,126.70       | 151        |
| Tangible - Extension          | 6,899,956                 | 0.0620 | 4,277.97   | 6,655,969                 |         | 2,662.39       | 98         |
| Tangible - Heatlh             | 6,899,956                 | 0.0400 | 2,759.98   | 6,655,969                 | 0.0400  | 2,002.39       | 90         |
| City of Bedford               |                           |        |            |                           | 2.4.700 | r 00           | (0         |
| Real Estate                   | 3,385                     | 0.1500 | 5.08       | 3,393                     | 0.1500  | 5.09           | (0         |
| City of Campbellsburg         |                           |        |            |                           |         | 0.46           | (0         |
| Real Estate                   | 254                       | 0.1750 | 0.44       | 261                       | 0.1750  | 0.46           | (0         |
| Tangible                      | 35,305                    | 0.2850 | 100.62     | 34,372                    | 0.2800  | 96.24          | 4          |
| City of Milton                |                           |        |            |                           | 0.0000  | 0.00           | 2          |
| Real Estate                   | 1,059                     | 0.2750 | 2.91       | 0                         | 0.0000  | 0.00           | 3          |
| Tangible                      | 147,304                   | 0.1568 | 230.97     | 143,409                   | 0.1568  | 224.87         | · ·        |
| City of Shelbyville           |                           |        |            |                           | 0.0750  | 1 10           | ((         |
| Real Estate                   | 425                       | 0.2750 | 1.17       | 434                       | 0.2750  | 1.19<br>284.38 | (0<br>(30  |
| Tangible                      | 59,052                    | 0.4310 | 254.51     | 57,105                    | 0.4980  | 284.38         | (30        |
| City of Simpsonville          |                           |        |            | <b>700</b>                | 0.0100  | 7.12           | 22         |
| Real Estate                   | 3,194                     | 0.9100 | 29.07      | 782                       | 0.9100  | 7.12           | که منگ     |
| Public Service Company Assess | ment:                     |        |            | 601.000                   | 0.1220  | 843.42         | (4         |
| Real Estate                   | 652,568                   | 0.1220 | 796.13     | 691,328                   | 0.1220  |                | 3,04       |
| Tangible Property             | 38,574,880                | 0.4500 | 173,586.96 | 37,899,220                | 0.4500  | 170,546.49     | 3,040      |
| Manufacturing Machinery       | 6,468,200                 | 0.1500 | 9,702.30   | 6,383,373                 | 0.1500  | 9,575.06       | 12         |
| this page                     |                           |        | 245,462.79 |                           |         | 241,780.89     | 3,681.9    |
| Total                         |                           |        | 541,088.24 |                           |         | 516,630.01     | 24,458.2   |
| Amount of Adjustment          |                           |        |            |                           |         |                | 24,45      |

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Exhibit 5 1 page 1 of 4 2 Witness:Jim Adkins 3 Shelby Energy Cooperative Case No. 2009-00410 5 July 31, 2009 6 7 Adjustment for Interest on Long Term Debt 8 The adjustment for interest on long-term debt results in an increase of \$35,241. 10 11 This adjustment has been calculated by multiplying the test year end debt amounts 12 by the interest rates in effect at the end of the test year for each loan. 13 14 15 16 **RUS** loans 723,819 17 718,251 FFB loans 18 245,980 CFC loans 19 20 Total annualized interest 1,688,050 21 22 Test year interest expense 1,652,810 23 24 35,241 Adjustment 25 26 27

| ı        |  | Sho              | elby Energ       | y Cooperati      | ve               |                                       | Exhibit 5         |  |
|----------|--|------------------|------------------|------------------|------------------|---------------------------------------|-------------------|--|
| 2        | The state of the s |                  |                  |                  |                  |                                       |                   |  |
| 3        | Case No. 2009-00410 page Schedule of Outstanding Long-Term Debt Fo   |                  |                  |                  |                  |                                       |                   |  |
| 4        | July 31, 2009 Sched  |                  |                  |                  |                  |                                       |                   |  |
| 5        |  |                  |                  |                  | Cost             |                                       |                   |  |
| 6        | Type   | Date             | Date             |                  | Rate             | Annualized                            | Test Year         |  |
| 7        | of   | of               | of               | Outstanding      | to               | Cost                                  | Interest          |  |
| 8        | Debt Issued  | <u>Issue</u>     | Maturity         | Amount           | Maturity         | Col(d)x(g)                            | <u>Cost</u>       |  |
| 9        | (a)  | (b)              | (c)              | (d)              | (g)              | (j)                                   |                   |  |
| 10       | TO KICO I  |                  |                  |                  |                  |                                       |                   |  |
| 11       | RUS loans  | A 75             | A 10             | 19.063           | £ 0000/          | 012                                   | 010               |  |
| 12       | 1B220  | Apr-75           | Apr-10<br>Jan-11 | 18,263<br>35,218 | 5.000%<br>5.000% |                                       | 918<br>1,770      |  |
| 13       | 1B230<br>1B240   | Jan-76<br>Mar-77 | Feb-12           | 2,622,312        | 5.000%           | · ·                                   | 1,770             |  |
| 14<br>15 | 1B300  | Dec-92           | Dec-27           | 1,312,348        | 5.000%           |                                       | 65,945            |  |
| 16       | 1B300  | Dec-92<br>Dec-94 | Dec-29           | 740,046          | 6.000%           | •                                     | 40,906            |  |
| 17       | 1B315  | Dec-94           | Dec-29           | 692,008          | 3.500%           | •                                     | 29,557            |  |
| 18       | 1B320  | Apr-98           | Mar-33           | 1,407,120        | 3.000%           | •                                     | 42,425            |  |
| 19       | 1B325  | Apr-98           | Mar-33           | 826,173          | 4.250%           |                                       | 33,212            |  |
| 20       | 1B326  | Apr-98           | Mar-33           | 621,789          | 4.500%           | · · · · · · · · · · · · · · · · · · · | 25,777            |  |
| 21       | 1B330  | Nov-05           | Oct-40           | 4,895,836        | 4.750%           |                                       | 209,113           |  |
| 22       | 1B331  | Nov-05           | Oct-40           | 983,067          | 4.300%           |                                       | 39,766            |  |
|          | 1B332  | Nov-05           | Oct-40           | 992,118          | 3.060%           | 30,359                                | 33,951            |  |
| 23       | 1B333  | Nov-05           | Oct-40           | 1,000,000        | 4.530%           | 45,300                                | 37,326            |  |
| 24       |  |                  |                  | 16,146,298       |                  | 723,819                               | 692,438           |  |
| 25       | FFB loans  |                  |                  |                  |                  |                                       |                   |  |
| 26       | H0010  | Sep-99           | Aug-34           | 2,009,649        | 4.512%           | 90,675                                | 93,849            |  |
| 27<br>28 | H0020  | Sep-99           | Aug-34           | 879,733          | 4.472%           | -                                     | 40,719            |  |
| 28<br>29 | H0025  | Sep-99           | Aug-34           | 972,347          | 5.298%           |                                       | 53,318            |  |
| 30       | H0030  | May-01           | Apr-36           | 898,754          | 4.408%           | -                                     | 41,004            |  |
| 31       | H0035  | May-01           | Apr-36           | 915,650          | 5.316%           |                                       | 50,380            |  |
| 32       | H0040  | May-01           | Apr-36           | 905,153          | 4.630%           | -                                     | 43,375            |  |
| 33       | H0045  | May-01           | Apr-36           | 906,994          | 4.554%           |                                       | 42,750            |  |
| 34       | H0050  | May-01           | Apr-36           | 2,262,627        | 4.787%           | •                                     | 112,103           |  |
| 35       | H0055  | May-01           | Apr-36           | 1,179,800        | 4.392%           | 51,817                                | 53,630            |  |
| 36       | H0060  | May-01           | Apr-36           | 1,544,892        | 4.474%           | 69,118                                | 71,538            |  |
| 37       | H0065  | May-01           | Apr-36           | 1,849,134        | 4.207%           | 77,793                                | 80,516            |  |
| 38       | H0070  | May-01           | Apr-36           | 1,303,431        | 4.463%           |                                       | 60,077            |  |
| 39<br>40 |  |                  |                  | 15,628,164       |                  | 718,251                               | 743,258           |  |
| 41       | CFC loans  |                  |                  |                  |                  |                                       |                   |  |
| 42       | 9005   | Apr-75           | Apr-10           | 10,095           | 6.05%            | 611                                   | 519               |  |
| 43       | 9006   | Jan-76           | Jan-11           | 18,438           | 6.10%            | 1,125                                 | 956               |  |
| 44       | 9007   | Mar-77           | Feb-12           | 68,423           | 6.15%            | 4,208                                 | 3,577             |  |
| 45       | 9008   | Jun-78           | Jun-13           | 161,810          | 6.25%            | 10,113                                | 8,596             |  |
| 46       | 9009   | Feb-81           | Jan-16           | 176,782          | 6.30%            | 11,137                                | 9,467             |  |
| 47       | 9010   | Jun-83           | May-18           | 122,424          | 6.40%            |                                       | 6,660             |  |
| 48       | 9011   | Oct-85           | Oct-20           | 338,312          | 6.55%            |                                       | 18,836            |  |
| 49       | 9012   | Apr-89           | Apr-24           | 404,624          | 6.55%            |                                       | 22,527            |  |
| 50       | 9013   | Aug-91           | Aug-26           | 602,186          | 6.60%            |                                       | 33,783            |  |
| 51       | 9014   | Dec-93           | Dec-98           | 624,338          | 6.65%            | •                                     | 35,291            |  |
| 52       | 9015   | Apr-95           | Mar-00           | 1,266,037        | 6.40%            | 81,026<br>245,980                     | 76,903<br>217,114 |  |
| 53       | Total long te  | rm deht and      | l annualized     | 3,793,469        |                  | 1,688,050                             | 1,652,810         |  |
| 54       | i orai iong te   | ini dobt all     | . amuanzeu       |                  |                  |                                       | -,002,010         |  |
| 55<br>56 | Annualized   | cost rate [T     | otal Col. (i)    | Total Col. (d    | וו               | 4.75%                                 |                   |  |
| 57       |  |                  |                  | (k) / Total Rej  |                  |                                       | 4.65%             |  |
| . r      | . ioidai iosi y  |                  |                  | (). 2000. 200    |                  | //7                                   |                   |  |

| 1<br>2<br>3<br>4 | Shelby Energy Cooperative  Case No. 2009-00410  Schedule of Outstanding Long-Term Debt  December 31, 2008 |                  |                  |                        |                  |             |                |
|------------------|---|------------------|------------------|------------------------|------------------|-------------|----------------|
| 5                |   |                  |                  |                        | Cost             |             |                |
| 6                | Type  | Date             | Date             |                        | Rate             | Annualized  | i              |
| 7                | of  | of               | of               | Outstanding            | to               | Cost        |                |
| 8                | Debt Issued   | Issue            | Maturity         | Amount                 | Maturity         | Col (d)x(g) | )              |
| 9                | (a)   | (b)              | (c)              | (d)                    | (g)              | (j)         | •              |
| 10               | ( /   | ` '              | ` /              | ( )                    | (8)              | 07          |                |
| 11               | <b>RUS</b> loans  |                  |                  |                        |                  |             |                |
| 12               | 1B220   | Apr-75           | Apr-10           | 29,842                 | 5.000%           | 1,492       |                |
| 13               | 1B230   | Jan-76           | Jan-11           | 46,382                 | 5.000%           | -           |                |
| 14               | 1B240   | Mar-77           | Feb-12           | 2,743,004              | 5.000%           |             |                |
| 15               | 1B300   | Dec-92           | Dec-27           | 1,331,065              | 5.000%           |             |                |
| 16               | 1B310   | Dec-94           | Dec-29           | 747,795                | 6.000%           |             |                |
| 17               | 1B315   | Dec-94           | Dec-29           | 701,684                | 3.500%           | ,           |                |
| 18               | 1B320   | Apr-98           | Mar-33           | 1,424,013              | 3.000%           |             |                |
| 19               | 1B325   | Apr-98           | Mar-33           | 834,710                | 4.250%           |             |                |
| 20               | 1B326   | Apr-98           | Mar-33           | 627,898                | 4.500%           | •           |                |
| 21               | 1B330   | Nov-05           | Oct-40           | 4,924,549              | 4.750%           | 233,916     |                |
| 22               | 1B331   | Nov-05           | Oct-40           | 989,314                | 4.300%           | ,           |                |
| 23               | 1B332   | Nov-05           | Oct-40           | 1,000,000              | 3.060%           |             |                |
| 24               |   |                  |                  | 15,400,256             |                  | 690,449     | -              |
| 25               | EED laans   |                  |                  |                        |                  |             |                |
| 26               | FFB loans<br>H0010  | Sep-99           | Aug-34           | 2,032,301              | 4.512%           | 91,697      |                |
| 27<br>28         | H0020   | Sep-99           | Aug-34           | 889,705                | 4.472%           |             |                |
| 29               | H0025   | Sep-99           | Aug-34           | 982,163                | 5.298%           | -           |                |
| 30               | H0030   | May-01           | Apr-36           | 907,796                | 4.408%           |             |                |
| 31               | H0035   | May-01           | Apr-36           | 923,670                | 5.316%           |             |                |
| 32               | H0040   | May-01           | Apr-36           | 913,958                | 4.630%           | •           |                |
| 33               | H0045   | May-01           | Apr-36           | 915,919                | 4.554%           | •           |                |
| 34               | H0050   | May-01           | Apr-36           | 2,284,118              | 4.787%           | •           |                |
| 35               | H0055   | May-01           | Apr-36           | 1,191,699              | 4.392%           |             |                |
| 36               | H0060   | May-01           | Apr-36           | 1,560,280              | 4.474%           |             |                |
| 37               | H0065<br>H0070  | May-01<br>May-01 | Apr-36<br>Apr-36 | 1,868,311<br>1,316,436 | 4.207%<br>4.463% |             |                |
| 38<br>39         | 110070  | May-01           | Apr-30           | 15,786,356             | 7.70370          | 725,505     | -              |
| 40               |   |                  |                  | 13,700,330             |                  | - 125,505   | Man            |
| 41               | CFC loans   |                  |                  |                        |                  |             |                |
| 42               | 9005  | Apr-75           | Apr-10           | 16,576                 | 6.05%            | 1,003       |                |
| 43               | 9006  | Jan-76           | Jan-11           | 24,221                 | 6.10%            |             |                |
| 44               | 9007  | Mar-77           | Feb-12           | 79,676                 | 6.15%            |             |                |
| 45               | 9008  | Jun-78           | Jun-13           | 179,358                | 6.25%            |             |                |
| 46               | 9009  | Feb-81           | Jan-16           | 187,634                | 6.30%            | 11,821      |                |
| 47               | 9010  | Jun-83           | May-18           | 127,387                | 6.40%            | 8,153       |                |
| 48               | 9011  | Oct-85           | Oct-20           | 347,202                | 6.55%            | 22,742      |                |
| 49               | 9012  | Apr-89           | Apr-24           | 411,880                | 6.55%            | 26,978      |                |
| 50               | 9013  | Aug-91           | Aug-26           | 610,809                | 6.60%            | 40,313      |                |
| 51               | 9014  | Dec-93           | Dec-98           | 631,406                | 6.65%            | 41,988      |                |
| 52               | 9015  | Apr-95           | Mar-00           | 1,277,313              | 6.40%            | 81,748      |                |
| 53               |   | -                |                  | 3,893,462              |                  | 252,334     | -              |
| 24               | <b></b>   | 4 4 .            | , ,, .           | <u> </u>               |                  |             | · <del>-</del> |
| 55               | Total long te   | rm debt and      | i annualized     | 35,080,074             |                  | 1,668,287   | =              |
| 56               |   |                  |                  |                        | ~                |             |                |
| 57               | Annualized of   | cost rate [To    | otal Col. (j)    | Total Col. (d)         | j                | 4.76%       | )              |

| 1      |  | She            | elhy Energy       | , Cooperativ     | e.          |               | Exhibit 5 |
|--------|--|----------------|-------------------|------------------|-------------|---------------|-----------|
|        | Shelby Energy Cooperative  Case No. 2009-00410     |                |                   |                  |             |               |           |
| 2      | Case No. 2009-00410<br>Schedule of Short Term Debt |                |                   |                  |             |               |           |
| 3      |  | SCII           |                   |                  | υι          |               | Format 8b |
| 4      |  |                | July 31           | , 2009           |             |               |           |
| 5      |  | Adina          | tmant for Sh      | ort Term Inte    | rost        |               |           |
| 6<br>7 |  | Aujusi         | iment for Su      | OIL LEIM INIC    | i est       |               |           |
| 8      | All short ter                                      | m horrowing    | s have heen r     | epaid during th  | ne test vea | r All other i | nterest   |
| 9      |  | _              |                   | posits. Interest | -           |               |           |
| 10     |  | ed for rate ma |                   | -                | OH BRIOTE   | om ourow.     | 1150 1145 |
| 11     |  |                | ming purpose      |                  |             |               |           |
| 12     | Type of  |                |                   |                  |             |               |           |
| 13     | Debt   | Date of        | Date of           | Amount           | Interest    | Annualized    | I         |
| 14     | Instrument   | Issue          | Maturity          | Outstanding      | Rate        | Cost          |           |
| 15     | (a)  | (b)            | (c)               | (d)              | (e)         | (f)           |           |
| 16     | ` ,  | . ,            | . ,               | ` ,              | ,           | , ,           |           |
| 17     |  |                |                   |                  |             |               |           |
| 18     |  |                |                   |                  |             |               |           |
| 19     | Annualized   | cost rate [To  | otal col. (f) / 7 | Total col. (d)]  |             | 0.00%         | ı         |
| 20     |  |                |                   |                  |             |               |           |
| 21     | Actual inter                                       | est paid, or a | ccrued on Sh      | ort Term         |             |               |           |
| 22     | Debt duri  | ng the Test Y  | ear               |                  |             | 32,654        |           |
| 23     |  |                |                   |                  |             |               |           |
| 24     |  |                |                   |                  |             |               |           |
| 25     |  |                |                   |                  |             |               |           |
| 26     |  |                |                   |                  |             |               |           |
| 27     |  |                |                   |                  |             |               |           |
| 28     |  |                |                   |                  |             |               |           |
| 29     |  |                |                   |                  |             |               |           |
| 30     |  |                |                   |                  |             |               |           |
| 31     |  |                |                   |                  |             |               |           |
| 32     |  |                |                   |                  |             |               |           |
| 33     |  |                |                   |                  |             |               |           |
| 34     |  |                |                   |                  |             |               |           |
| 35     |  |                |                   |                  |             |               |           |
| 36     |  |                |                   |                  |             |               |           |
| 37     |  |                |                   |                  |             |               |           |

Exhibit 6 1 page 1 of 2 2 Witness: Jim Adkins 3 Shelby Energy Cooperative 4 Case No. 2009-00410 5 July 31, 2009 6 Financial Accounting Standard No. 106 7 **Employer's Accounting for Postretirement Benefits** 8 9 10 Shelby Energy has included its study for SFAS No. 106 as of January 1, 2009. The 11 directors for Shelby Energy are not covered by the plan. 12 13 <u>Total</u> 14 15 182,969 Proposed annual cost 16 17 Test year accrual 169,358 18 19 13,611 Proposed adjustment 20 21 22 The adjustment is allocated as follows: 23 24 Percent **Amount** 25 26 35.65% \$4,852 107 Capitalized 27 163 - 416 Clearing and others 8.16% 1,111 28 14.75% 580 Operations 2,007 29 590 Mainteneance 24.34% 3,313 30 901 6.39% 870 Consumer accounts 31 452 908 3.32% Customer service 32 0.07% 10 912 Sales 33 920 Administrative and general 7.31% 995 34 35 100.00% \$13,610 36 37

| 1   |   |                 |               | Exhibit 6 page 2 of <b>1</b> |
|-----|---|-----------------|---------------|------------------------------|
| _ 3 | 3   |                 | Witness: J    | Jim Adkins                   |
| 4   |   |                 |               |                              |
| 5   | Shelby Energy Co                                | operative       |               |                              |
| 6   | 6 Case No. 2009                                 | -00410          |               |                              |
| 7   | 7 Financial Accounting St                       | tandard No. 1   | .06           |                              |
| 8   | 8 Employer's Accounting for Po                  | ostretirement   | Benefits      |                              |
| 9   | July 31, 20                                     | 09              |               |                              |
| 1   | 10  |                 |               |                              |
| 1   | H   |                 |               |                              |
| 1   | 12  |                 |               |                              |
| 1   | Shelby Energy implemented Statement of Fina     | ancial Account  | ting Standard | 1 No. 106                    |
| 1   | (SFAS 106) as of January 1, 1994.               |                 |               |                              |
| ī   | 15  |                 |               |                              |
| ì   | The journal entry to record the expense for the | initial year of | 1994 is as f  | ollows:                      |
| 1   | 17  |                 |               |                              |
| 1   | 18  | Account         | <u>Debit</u>  | <u>Credit</u>                |
| 1   | 19  |                 |               |                              |
| 2   | Effect of new accounting pronouncement          | 435             | 547,900       |                              |
| 2   | Accumulated provision for pensions              |                 |               |                              |
| 2   | and benefits                                    | 228.30          |               | 547,900                      |
| 2   | 23  |                 |               |                              |
| 2   | 24  |                 |               |                              |
| 2   | The updated study has been included with this   | response.       |               |                              |
| 2   | 26  |                 |               |                              |
| 2   | 27  |                 |               |                              |
| 2   | 28  |                 |               |                              |
| 2   | 29  |                 |               |                              |
|     |   |                 |               |                              |

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|   |   |  |  |  |

Exhibit 7 page 1 of 2

Witness: Jim Adkins

## Shelby Energy Cooperative Case No. 2009-00410

**Retirement and Security** 

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Shelby Energy provides pension benefits for substantially all employees through participation in the National Rural Electric Cooperative Association (NRECA) Retirement and Security (R & S) Program. It is the policy of Shelby Energy to fund pension costs accrued. R & S contributions are based on base salary at a rate determined by NRECA.

12 13 14

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The adjustment is to normalize the R & S contributions using the rate for 2010 and normalized base wages for full-time salary and hourly employees. Quasi retired employees are those that havemore than 30 years in the Plan and are no longer eligible to participate. The employees can remain with Shelby and participate in all other benefits. The contribution rate for 2010 and 2009 are as follows:

18 19

| 20 |                         | Contribution          |   |
|----|-------------------------|-----------------------|---|
| 21 |                         | <u>Rate</u>           |   |
| 22 | 2010                    | 24.83%                |   |
| 23 | 2009                    | 18.75%                |   |
| 24 |                         |                       |   |
| 25 | Normalized base wag     | es                    | 1,833,894   |
| 26 | Quasi retired emp: #1   | 301, 1304, 1902, 2301 | 285,397   |
| 27 | Eligible wages          |                       | 1,548,498   |
| 28 | Contribution rate for 2 | 2010                  | 24.83%  |
| 29 |                         |                       |   |
| 30 | Proposed contribution   | ı cost                | 455,356   |
| 31 | Test year R & S contr   | ributions             | 243,802   |
| 32 |                         |                       | 76 STATE OF |
| 33 | Proposed adjustment     |                       | 211,554   |
| 34 |                         |                       |   |
| 35 | The adjustment is allo  | ocated as follows:    |   |
| 36 |                         |                       | Percent   |
| 37 |                         |                       |   |

| 34 |            |                               |                |               |
|----|------------|-------------------------------|----------------|---------------|
| 35 | The adjust | ment is allocated as follows: |                |               |
| 36 |            |                               | <u>Percent</u> | <u>Amount</u> |
| 37 |            |                               |                |               |
| 38 | 107        | Capitalized                   | 35.65%         | 75,419        |
| 39 | 163 - 416  | Clearing and others           | 8.16%          | 17,269        |
| 40 | 580        | Operations                    | 14.75%         | 31,200        |
| 41 | 590        | Mainteneance                  | 24.34%         | 51,497        |
| 42 | 901        | Consumer accounts             | 6.39%          | 13,524        |
| 43 | 908        | Customer service              | 3.32%          | 7,025         |
| 44 | 912        | Sales                         | 0.07%          | 156           |
| 45 | 920        | Administrative and general    | 7.31%          | 15,463        |
| 46 |            | •                             |                |               |
| 47 |            |                               | 100.00%        | \$211,554     |



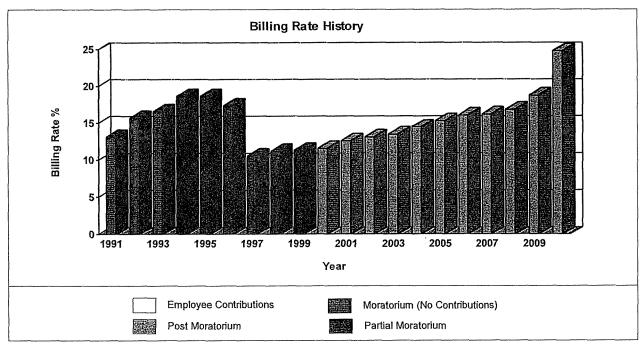
### NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION

#### **Retirement and Security Program**

System#: 01-18030-001 Plan ID: RNR01A

Name: SHELBY ENERGY COOPERATIVE

| Year | Benefit<br>Level | System<br>Cost | Employee<br>Contribution | Plan | COLA | Average<br>Age | 100% Death<br>Benefit | Salary<br>Type |
|------|------------------|----------------|--------------------------|------|------|----------------|-----------------------|----------------|
| 1991 | 2.00             | 13.10          | 0.00                     | 62   | Yes  | 41             | No                    | BS             |
| 1992 | 2.00             | 15.70          | 0.00                     | 62   | Yes  | 42             | No                    | BS             |
| 1993 | 2.00             | 16.60          | 0.00                     | 62   | Yes  | 41             | No                    | BS             |
| 1994 | 2.00             | 18.66          | 0,00                     | 62   | Yes  | 42             | No                    | BS             |
| 1995 | 2.00             | 18.66          | 0.00                     | 62   | Yes  | 42             | No                    | BS             |
| 1996 | 2.00             | 17.38          | 0.00                     | 62   | Yes  | 44             | No                    | BS             |
| 1997 | 1.70             | 10.63          | 0.00                     | 30   | No   | 42             | No                    | BS             |
| 1998 | 1.70             | 11.20          | 0.00                     | 30   | No   | 43             | No                    | BS             |
| 1999 | 1.70             | 11.38          | 0.00                     | 30   | No   | 43             | No                    | BS             |
| 2000 | 1.70             | 11.57          | 0.00                     | 30   | No   | 43             | No                    | BS             |
| 2001 | 1.70             | 12.67          | 0.00                     | 30   | No   | 43             | No                    | BS             |
| 2002 | 1.70             | 13.15          | 0.00                     | 30   | No   | 42             | No                    | BS             |
| 2003 | 1.70             | 13.52          | 0.00                     | 30   | No   | 42             | No                    | BS             |
| 2004 | 1.70             | 14.49          | 0.00                     | 30   | No   | 44             | No                    | BS             |
| 2005 | 1.70             | 15.30          | 0.00                     | 30   | No   | 44             | No                    | BS             |
| 2006 | 1.70             | 16.06          | 0.00                     | 30   | No   | 44             | No                    | BS             |
| 2007 | 1.70             | 16.25          | 0.00                     | 30   | No   | 42             | No                    | BS             |
| 2008 | 1.70             | 16.89          | 0.00                     | 30   | No   | 43             | No                    | BS             |
| 2009 | 1.70             | 18.75          | 0.00                     | 30   | No   | 43             | No                    | BS             |
| 2010 | 1.70             | 24.83          | 0.00                     | 30   | No   | 42             | No                    | BS             |



Note: Rates are for the plan in effect as of January 1 for each year.

Format 30 Exhibit 8 2 page of 32. Witness: Jim Adkins 3 Shelby Energy Cooperative Case No. 2009-00410 8 Account 426 - Other Income Deductions 9 July 31, 2009 10 11 12 Line 13 Amount Item No. 14 <u>(b)</u> <u>(a)</u> 15 16 17 495 Donations 1. 18 1,567 Civic activities 2. 19 Political activities 3. 20 1,500 Other 4. 21 3,562 5. Total 22 23

Exhibit 8 page 1 of 2 Witness: Jim Adkins

Shelby Energy Cooperative Case No. 2009-00410

## **Donations Account 426.00**

July 31, 2009

| 7 |  |
|---|--|
| 8 |  |

43 44

1 2 3

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| 9  |             | Check         |                          |               |                    |
|----|-------------|---------------|--------------------------|---------------|--------------------|
| 10 | <u>Date</u> | <u>Number</u> | <u>Payee</u>             | <u>Amount</u> | <u>Description</u> |
| 11 |             |               |                          |               |                    |
| 12 | 8/8/2008    | 44778         | Shelby Energy Petty Casl | 81.40         | x Rotary           |
| 13 | 5/5/2009    | 46598         | Wayne Anderson           | 30.20         | x Rotary           |
| 14 | 9/5/2008    | 44955         | Wayne Anderson           | 95.40         | x Rotary           |
| 15 | 1/2/2009    | 45794         | Wayne Anderson           | 44.00         | x Rotary           |
| 16 | 3/13/2009   | 46285         | Wayne Anderson           | 35.20         | x Rotary           |
| 17 | 7/7/2009    | 47019         | Wayne Anderson           | 44.00         | x Rotary           |
| 18 | 4/10/2009   | 46439         | Wayne Anderson           | 44.00         | x Rotary           |
| 19 | 12/12/2008  | 45655         | Wayne Anderson           | 35.20         | x Rotary           |
| 20 | 11/4/2008   | 45385         | Wayne Anderson           | 60.20         | x Rotary           |
| 21 | 10/7/2008   | 45193         | Wayne Anderson           | 35.20         | x Rotary           |
| 22 | 8/29/2008   | 44921         | Shelbyville Rotary       | 78.00         | x Rotary           |
| 23 | 11/14/2008  | 45494         | Shelbyville Rotary       | 140.00        | x Rotary           |
| 24 | 5/15/2009   | 46671         | Shelbyville Rotary       | 113.00        | x Rotary           |
| 25 | 5/8/2009    | 46623         | Debbie Martin            | 42.50         | x Rotary           |
| 26 | 2/17/2009   | 46090         | Debbie Martin            | 42.50         | x Rotary           |
| 27 | 8/14/2009   | 47333         | Debbie Martin            | 28.00         | x Rotary           |
| 28 | 7/17/2009   | 47123         | Debbie Martin            | 91.57         | x Rotary           |
| 29 | 11/11/2008  | 45471         | Debbie Martin            | 52.50         | x Rotary           |
| 30 | 10/24/2008  | 45317         | Bedford Rotary Club      | 118.50        | x Rotary           |
| 31 | 4/10/2009   | 46448         | Bedford Rotary Club      | 118.50        | x Rotary           |
| 32 | 1/9/2009    | 45861         | Bedford Rotary Club      | 118.50        | x Rotary           |
| 33 | 7/17/2009   | 47126         | Bedford Rotary Club      | 119.00        | x Rotary           |
| 34 | 4/10/2009   | 46454         | Leadership Shelby        | 25.00         | x Donation         |
| 35 | 8/19/2008   | 44878         | Leadership Shelby        | 450.00        | x Donation         |
| 36 | 7/7/2009    | 47038         | Leadership Shelby        | 20.00         | x Donation         |
| 37 | 9/23/2008   | 45102         | CFC                      | 1,500.00      | x Integrity fund   |
| 38 |             |               | _                        |               | _                  |
| 39 |             |               |                          |               |                    |
| 40 |             |               | _                        | 3,562.37      | <u>.</u>           |
| 41 |             |               | -                        |               | <del>-</del>       |
| 42 |             |               | Remove for rate making   | 3,562.37      | X                  |
|    |             |               | _ =                      |               | <b>=</b>           |

Exhibit 9
page 1 of **3**Witness: Jim Adkins

## Shelby Energy Cooperative Case No. 2009-00410 Professional Services

#### Legal

The attorney is paid a monthly retainer for work performed during the month, as well as, attending each monthly Board of Directors meeting. Expenses are also paid for attending legal seminars for Cooperative business. Attached is the Board policy for Legal Services.

Other legal services are provided as needed.

#### **Accounting and Auditing**

Attached is a copy of the audit agreement for the latest audit as of December 31, 2008, which was performed by Alan Zumstein, CPA.

During the test year, Shelby Energy outside, non-supervisory employees formed a union. As a result, additional legal fees were incurred. Shelby Energy is proposing to amortize these legal costs over the life of the union contract that was negotiated, which is three (3) years.

| Frost, Brown & Todd, PLLC       | \$110,256.06 |
|---------------------------------|--------------|
| Robert Hood                     | 10,807.63    |
| Smith & Smith, Attorneys at Law | 681.50       |
|                                 | 121,745.19   |
| Term of contract                | 3            |
| Annual amortization             | \$40,581.73  |

The Kentucky PSC ordered Shelby Energy to undergo a Management Audit. State law allows the PSC to hire an independent auditor at company expense. Shelby Energy is amortizing the cost of the management audit over a period of three (3) years.

| Cost of management audit | \$107,695.00 |
|--------------------------|--------------|
| Number of years          | 3            |
| Annual amortization      | \$35,898.33  |

The calculation of adjustments to professional services are as follows:

| 43 Ac | ditions |
|-------|---------|
| 43 Ac | ditions |

| Additions                           |              |
|-------------------------------------|--------------|
| Amortize fees for union contract    | 40,581.73    |
| Amortize management audit           | 35,898.33    |
| Remove:                             |              |
| Normal nonrecurring expenses        | (15,723.96)  |
| Legal fees for the union contract   | (121,745.19) |
| Adjustment to Professional Services | (60,989.09)  |

| 1<br>2<br>3<br>4<br>5 |               |             | Case No.: Profession | gy Cooperative<br>2009-00410<br>nal Services<br>1, 2009 |              | Format 33 Exhibit 9 page 2 of |
|-----------------------|---------------|-------------|----------------------|---|--------------|-------------------------------|
| 7                     |               |             |                      |   |              |                               |
| 8                     | Line          |             | Rate                 | Annual  |              |                               |
| 9                     | <u>Number</u> | <u>Item</u> | Case                 | <u>Audit</u>  | <u>Other</u> | <u>Total</u>                  |
| 10                    |               |             |                      |   |              |                               |
| 11                    | 1             | Legal       |                      |   | 148,420      | 148,420                       |
| 12                    | 2             | Engineering |                      |   | 41,565       | 41,565                        |
| 13                    | 3             | Accounting  |                      | 7,300   | 760          | 8,060                         |
| 14                    | 4             | Other       |                      |   | 17,275       | 17,275                        |
| 15                    |               |             |                      |   |              |                               |
| 16                    | 5             | Total       | 0                    | 7,300   | 208,020      | 215,320                       |
| 17                    |               |             |                      |   |              |                               |
| 18                    |               |             |                      |   |              |                               |
| 19                    |               |             |                      |   |              |                               |
| 20                    |               |             |                      |   |              |                               |
| 21                    |               |             |                      |   |              |                               |
| 22                    |               |             |                      |   |              |                               |
| 23                    |               |             |                      |   |              |                               |
| 24                    |               |             |                      |   |              |                               |
| 25                    |               |             |                      |   |              |                               |

Exhibit 9 page 3 of 8 Witness: Jim Adkins

## Shelby Energy Cooperative Case No. 2009-00410 **Professional Services**

| 7  |             |        |      |           | •           | July 31, 200 | 0        |   |                                 |
|----|-------------|--------|------|-----------|-------------|--------------|----------|---|---------------------------------|
| 7  |             |        |      |           |             | July 51, 200 | 7        |   |                                 |
| 8  |             | Charle |      |           |             | YY 0-        |          |   |                                 |
| 9  | Dete        | Check  |      | ъ         |             | Hours &      |          |   | - ·                             |
| 10 | <u>Date</u> | Number |      | <u>P</u>  | ayee        | Bill Rate    | Amount   |   | <u>Description</u>              |
| 11 |             | _      |      |           |             |              |          |   |                                 |
| 12 | Leg         | al     |      |           |             |              |          |   |                                 |
| 13 |             |        |      |           |             |              |          |   |                                 |
| 14 | 8/15/2008   | 44834  | Math | is, Riggs | s & Prather |              | 200.00   |   | Retainer                        |
| 15 | 9/12/2008   | 45021  | **   | "         | "           |              | 200.00   |   | Retainer                        |
| 16 | 10/10/2008  | 45204  |      | "         | "           | \$140        | 383.18   |   | Employee accident               |
| 17 | 10/10/2008  | 45204  | "    |           |             |              | 978.15   |   | Employee complaint BS           |
| 18 | 10/14/2008  | 45225  | "    | "         | "           |              | 200.00   |   | Retainer                        |
| 19 | 9/16/2008   | 45450  | "    | **        | "           |              | 259.50   |   | Employee accident               |
| 20 | 9/16/2008   | 45450  | "    | "         |             |              | 42.00    |   | Henry Co Water Dist loan        |
| 21 | 9/16/2008   | 45450  | n n  | "         | "           |              | 1,266.16 |   | Employee complaint BS           |
| 22 | 11/14/2008  | 45475  | "    | "         | "           |              | 119.50   |   | Employee accident               |
| 23 | 11/14/2008  | 45475  | "    |           | "           |              | 140.00   |   | Consumer accident               |
| 24 | 11/14/2008  | 45475  | 11   | 11        | " .         |              | 699.80   |   | Employee complaint BS           |
| 25 | 11/21/2008  | 45513  | "    | "         | "           |              | 200.00   |   | Retainer                        |
| 26 | 12/5/2008   | 45584  | "    | "         | "           |              | 437.72   | X | KAEC annual mtg exp             |
| 27 | 12/12/2008  | 45647  | "    | "         | "           |              | 192.58   |   | Employee complaint BS           |
| 28 | 12/12/2008  | 45647  | "    | "         | "           |              | 200.00   |   | Retainer                        |
| 29 | 12/12/2008  | 45681  | 11   | "         | "           |              | 150.00   | X | Christmas gift                  |
| 30 | 1/16/2009   | 45891  | "    | "         | ''<br>H     |              | 200.00   |   | Retainer                        |
| 31 | 1/20/2009   | 45910  | "    | "         | "           |              | 92.15    |   | Consumer accident               |
| 32 | 1/20/2009   | 45910  | "    | "         | "           |              | 112.50   |   | Potential bankruptcy            |
| 33 | 1/20/2009   | 45910  | "    | "         | "           |              | 132.50   |   | Employee complaint BS           |
| 34 | 2/13/2009   | 46035  | "    | 11        | "           |              | 200.00   |   | Retainer                        |
| 35 | 3/6/2009    | 46207  | "    | "         | "           |              | 50.00    |   | File EKPC flow thru             |
| 36 | 3/6/2009    | 46207  | **   | "         | "           |              | 240.51   |   | Consumer accident               |
| 37 | 3/10/2009   | 46244  | "    | "         | 11          |              | 102.50   |   | Consumer accident               |
| 38 | 3/10/2009   | 46244  | "    | "         | "           |              | 200.00   |   | Retainer                        |
| 39 | 4/10/2009   | 46434  | "    | "         | "           |              | 879.25   |   | EKPC flow thru hearing          |
| 40 | 4/10/2009   | 46434  | "    | "         | "           |              | 135.00   |   | Consumer accident               |
| 41 | 4/14/2009   | 46469  | "    | "         | .,          |              | 200.00   |   | Retainer                        |
| 42 | 5/12/2009   | 46655  | "    | "         | "           |              | 200.00   |   | Retainer                        |
| 43 | 5/15/2009   | 46664  | "    | "         | **          |              | 25.00    |   | Review PSC order EKPC flow thru |
| 44 | 5/15/2009   | 46664  | Ħ    | "         | "           |              | 12.50    |   | Consumer accident               |
| 45 | 5/15/2009   | 46664  | "    | 11        | **          |              | 105.00   |   | Economic development loan       |
| 46 | 6/12/2009   | 46835  | 11   | "         | "           |              | 200.00   |   | Retainer                        |
| 47 | 6/23/2009   | 46921  | **   | "         | "           |              | 387.50   |   | Economic development loan       |
| 48 | 6/23/2009   | 46921  | "    | 11        | "           |              | 145.00   |   | Consumer account past due       |
| 49 | 7/10/2009   | 47052  | "    | "         |             |              | 671.10   |   | Economic development loan       |
| 50 | 7/17/2009   | 47104  | н    | "         | "           |              | 200.00   |   | Retainer                        |
| 51 | 8/14/2009   | 47327  | **   |           |             |              | 312.50   |   | Economic development loan       |
| 52 | 0/30/2005   | 45105  | * 7* | 144       |             |              | 004.64   |   | NDECA 1 1 1 2 2                 |
| 53 | 9/30/2008   | 45135  | Visa |           |             |              | 994.64   |   | NRECA legal seminar exp         |
| 54 | 12/30/2008  | 45743  | KAE  |           |             |              | 90.00    | Х | KAEC annual mtg exp             |
| 55 | 3/3/2009    | 46206  |      | - 3989    |             |              | 70.50    |   | File folders for mgt audit      |
| 56 | 6/30/2009   | 46964  | KAE  | C         |             |              | 104.93   |   | Ice storm responses to PSC      |

Exhibit 9
page # of 8

Witness: Jim Adkins

## Shelby Energy Cooperative Case No. 2009-00410 **Professional Services** July 31, 2009

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| 8                    |             |               |              |             |          |             |               |    |                                  |
|----------------------|-------------|---------------|--------------|-------------|----------|-------------|---------------|----|----------------------------------|
| 9                    |             | Check         |              |             |          | Hours &     |               |    |                                  |
| 10                   | <u>Date</u> | <u>Number</u> | <u>P</u>     | <u>ayee</u> |          | Bill Rate   | <u>Amount</u> |    | <u>Description</u>               |
| 11                   |             |               |              |             |          |             |               |    |                                  |
| 57                   | 7/2/2009    | 47006         | Visa - 3989  |             |          |             | 144.84        | U  | Jnion negotiation mtg room       |
| 58                   | 7/17/2009   | 47105         | KAEC         |             |          |             | 134.91        | Ic | ce storm responses to PSC        |
| 59                   | var         | var           | All the Way  | Shop        |          |             | 65.33         | В  | Board mtg meals                  |
| 60                   | var         | var           | NRECA        |             |          |             | 18.00         | 2  | 4 hr travel                      |
| 61                   | var         | var           | EKPC         |             |          |             | 14,051.60     | хН | lealth insurance premiums        |
| 62                   |             |               |              |             |          |             |               |    |                                  |
| 63                   | 9/9/2008    | 45012         | Crawford &   | Baxter,     | PSC      | \$160       | 528.00        | R  | Review inspection policy         |
| 64                   |             |               |              |             |          |             |               |    |                                  |
| 65                   | 9/19/2008   | 45076         | Smith & Smi  | th, Atto    | rneys at | \$290       | 681.50        | N  | Agt rights in union org. drive   |
| 66                   |             |               |              | ,           | •        |             |               |    |                                  |
| 67                   |             |               |              |             |          |             |               |    |                                  |
| 68                   | 11/7/2008   | 45446         | Frost, Brown | & Tod       | d. PLLC  |             | 43,812.19     | Ţ  | Jnion negotiations               |
| 69                   | 11/25/2008  | 45549         | 11 11        | 11          | "        |             | 12,947.78     |    | Jnion negotiations               |
| 70                   | 11/25/2008  | 45549         | H H          | 11          | **       |             | 899.00        |    | Jnion negotiations               |
| 71                   | 12/9/2008   | 45636         | 11 11        | 11          | u        |             | 1,951.75      |    | Jnion negotiations               |
| 72                   | 12/12/2008  | 45684         | 11 11        | 11          | 11       |             | 2,501.16      |    | Jnion negotiations               |
| 73                   | 1/23/2009   | 45936         | 11 11        | 11          | 11       |             | 3,337.69      |    | Jnion negotiations               |
| 74                   | 1/23/2009   | 45936         | 11 11        | **          | 11       |             | 192.50        |    | Jnion negotiations               |
| 7 <del>4</del><br>75 | 1/23/2009   | 45936         | 11 11        | 11          | 11       |             | 2,045.00      |    | Jnion negotiations               |
|                      | 2/10/2009   | 46032         | 11 11        | Ħ           | 11       |             | 2,397.00      |    | Jnion negotiations               |
| 76<br>77             | 2/17/2009   | 46103         | 11 11        | #1          | 11       |             | 1,512.00      |    | Jnion negotiations               |
| 77<br>70             | 2/17/2009   | 46103         | 11 11        | 11          | 11       |             | 3,766.00      |    | Jnion negotiations               |
| 78                   | 3/20/2009   | 46328         | 11 11        | **          | 11       |             | 6,884.50      |    | Jnion negotiations               |
| 79                   | 5/1/2009    | 46590         | 11 11        | #           | tt       |             | 1,501.95      |    | Jnion negotiations               |
| 80                   |             |               | 11 11        | **          | **       |             | 577.50        |    | Jnion negotiations               |
| 81                   | 6/12/2009   | 46860         | 11 11        | "           | tt       |             | 7,645.20      |    | Jnion negotiations               |
| 82                   | 6/23/2009   | 46939         | 11 11        | 11          | 11       |             | 9,657.94      |    | Jnion negotiations               |
| 83                   | 7/14/2009   | 47100         | и и          | n           | 11       |             | 8,626.90      |    | Union negotiations               |
| 84                   | 8/21/2009   | 47385         |              |             |          |             | 0,020.90      | C  | Jillon negotiations              |
| 85                   | 041         |               |              |             |          | •           |               |    |                                  |
| 86                   | Other       |               |              |             |          |             |               |    |                                  |
| 87                   | 2/20/2000   | 46200         | Daham Has    | 1           |          | \$110       | 993.85        | τ  | Union negotiations               |
| 88                   | 3/20/2009   | 46329         | Robert Hood  | 1           |          | \$110       |               |    | 9                                |
| 89                   | 6/9/2009    | 46822         | 11 11        |             |          |             | 2,548.93      |    | Union negotiations               |
| 90                   | 7/28/2009   | 47202         | н п          |             |          |             | 4,715.49      |    | Union negotiations               |
| 91                   | 8/11/2009   | 47321         | ,,           |             |          |             | 2,549.36      | ·  | Union negotiations               |
| 92                   |             |               | ****         |             |          | <b>#160</b> | 4 400 00      |    |                                  |
| 93                   | 8/22/2008   | 44893         | HR Enterpri  |             |          | \$160       | 4,480.00      |    | Review policies, HR consulting   |
| 94                   | 9/12/2008   | 45034         | Dudley Bott  |             |          | \$100       | 200.00        |    | Review underground costs         |
| 95                   | 9/19/2008   | 45075         | Hilltop Prod |             |          |             | 15.33         |    | Meal for consultant at Board mtg |
| 96                   | 9/30/2008   | 45142         | HR Enterpri  |             |          | ***         | 3,440.00      |    | Wage and Salary study            |
| 97                   | 12/12/2008  | 45669         | Alan M. Zui  |             | CPA      | \$100       | 760.00        |    | Proporty tax, IRS 990 reports    |
| 98                   | 12/19/2009  | 45719         | HR Enterpri  |             |          |             | 826.00        |    | Policy review, hiring review     |
| 99                   | 2/10/2009   | 46031         | Dudley Bott  |             |          |             | 400.00        |    | Review work plan                 |
| 100                  | 2/27/2009   | 46157         | HR Enterpri  | se          |          |             | 720.00        |    | Revise job descriptions, pay     |
| 101                  | 3/3/2009    | 46193         | Gay Tennill  |             |          |             | 299.90        | F  | Postage; meals for mgt audit     |

Exhibit 9
page 5 of 8
Witness: Jim Adkins

Shelby Energy Cooperative Case No. 2009-00410 **Professional Services** July 31, 2009

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| 9   |             | Check  |           |         |               | Hours &   |               |                                  |
|-----|-------------|--------|-----------|---------|---------------|-----------|---------------|----------------------------------|
| 10  | <u>Date</u> | Number |           | Paye    | <u>ee</u>     | Bill Rate | <u>Amount</u> | <u>Description</u>               |
| 11  |             |        |           |         |               |           |               |                                  |
| 102 | 3/6/2009    | 46210  | Neville ! | Data So | lutions       |           | 125.00        | Offsite backup of files          |
| 103 | 4/1/2009    | 46371  | Alan M.   | Zumste  | in, CPA       |           | 7,300.00      | Annual audit                     |
| 104 | 4/21/2009   | 46492  | HR Ente   | erprise |               |           | 2,400.00      | Planning and review sessions     |
| 105 | 5/8/2009    | 46623  | Debbie 1  | Martin  |               |           | 28.24         | Meal for consultant at Board mtg |
| 106 | 7/31/2009   | 47217  | Hilltop l | Produce |               |           | 20.49         | Meal for consultant at Board mtg |
| 107 | 8/21/2009   | 47389  | Mike Ea   | stridge |               | \$75      | 4,320.50      | Safety manual and evaluations    |
| 108 |             |        |           |         |               |           |               |                                  |
| 109 | Engineerin  | g      |           |         |               |           |               |                                  |
| 110 | 9/19/2008   | 45070  | Patterso  | n & Dev | war Engineeri | \$119     | 1,525.37      | Engineering assistance           |
| 111 | 9/19/2008   | 45070  | tt        | н       | **            |           | 357.00        | UG filing w/ PSC                 |
| 112 | 10/17/2008  | 45269  | 11        | 11      | **            |           | 3,663.72      | Engineering assistance           |
| 113 | 11/14/2008  | 45490  | Ħ         | 11      | 11 '          |           | 3,691.70      | Engineering assistance           |
| 114 | 12/12/2008  | 45674  | 11        | 11      | Ħ             |           | 714.00        | Engineering assistance           |
| 115 | 2/17/2009   | 46096  | 11        | 11      | 11            |           | 1,309.00      | Arc flash operating procedures   |
| 116 | 4/21/2009   | 46489  | 11        | 11      | 11            |           | 8,556.16      | Engineering assistance           |
| 117 | 5/15/2009   | 46674  | 11        | 11      | н             |           | 5,378.03      | Engineering assistance           |
| 118 | 7/10/2009   | 47074  | 11        | H.      | 11            |           | 5,990.10      | Engineering assistance           |
| 119 | 7/10/2009   | 47074  | **        | 11      | "             |           | 6,477.40      | System inspection                |
| 120 | 7/21/2009   | 47151  | 11        | 11      | ii .          |           | 2,121.04      | Engineering assistance           |
| 121 | 8/21/2009   | 47393  | 11        | 11      | **            |           | 1,781.05      | Engineering assistance           |
| 122 |             |        |           |         |               |           |               |                                  |
| 123 |             |        |           |         |               |           |               |                                  |
| 124 |             |        |           |         |               | ,         | 215,319.57    |                                  |
|     |             |        |           |         |               |           |               |                                  |

Exhibit 9 Page 6 of 8

# MATHIS, RIGGS & PRATHER, P.S.C. ATTORNEYS AT LAW 500 MAIN STREET, Ste. 5 SHELBYVILLE, KENTUCKY 40066-1059

C. LEWIS MATHIS, JR. T. SHERMAN RIGGS DONALD. T. PRATHER NATHAN T. RIGGS **TELEPHONE: (502) 633-5220** 

FAX: (502) 633-0667

E-MAIL: <u>dprather@iglou.com</u>

November 20, 2008

George N. Busey Chairman of the Board of Directors Shelby Energy Cooperative, Inc. 620 Old Finchville Road Shelbyville, KY 40065

Re: Shelby Energy Cooperative, Inc. - Client Engagement Letter

Dear Mr. Busey:

This letter will confirm the arrangements under which the Board of Directors ("Board") of Shelby Energy Cooperative, Inc. ("Shelby Energy") has employed me to provide legal services to Shelby Energy and the Board relating to all matters on which my services may be requested by the Board, officers and employees of Shelby Energy. As a matter of legal ethics I am required to confirm the terms of our relationship in writing to you.

It is my understanding that the terms of my employment as Shelby Energy's attorney are as follows:

- 1. I will handle and manage all of the aforementioned legal matters.
- 2. I will be paid a monthly retainer fee, which is presently \$200.00, plus an amount equal to the Cooperative Medical Insurance Premium for family coverage, less the regular employee contribution in effect from time-to-time. I will also be paid the regular daily per diem, presently \$100.00 per day, plus certain out of pocket expenses, for attendance at special meetings and conferences such as the KAEC annual meeting and NRECA regional and national meetings. In the event the Board Policies on any of these matters are changed, this arrangement will automatically become consistent with the altered policy.
- 3. In return for these payments, I will render all requested legal services except (1) litigation, including preparation for litigation (civil, criminal and administrative); (2) Public Service Commission cases; (3) loan work; and (4) upon prior agreement with an authorized Shelby Energy representative, extraordinarily complicated or time consuming contract work. With the exception of the aforementioned four areas of service, the retainer arrangement will cover all legal services requested by authorized Shelby Energy representatives including but not limited to review of capital credit applications, monthly regular and special board of director meetings, the annual Cooperative meeting, review of minutes, employment issues, contract preparation

and review, and advice to board members, officers and employees upon request. Additionally, neither I nor my law firm will accept any case adverse to Shelby Energy or its affiliates, any other electric cooperative within Kentucky, East Kentucky Power Cooperative, United Utilities Supply, or the Kentucky Association of Electric Cooperatives.

- 4. With respect to litigation matters, PSC cases, loan work, and extraordinary contract work, as compensation for such services I will be paid at the preferred hourly rate of \$125.00 per hour. Time will be billed in multiples of tenths of an hour. A minimum of two tenths (.20) of an hour shall be billed for each action performed. I may delegate portions of the required services to other personnel, and Shelby Energy agrees to pay for their services at the hourly rate charged for each (other attorneys not to exceed by hourly rate, paralegals \$60.00 per hour and secretaries \$15.00 per hour). I will maintain records of services and time expended which shall be provided to Shelby Energy.
- 5. With respect to such special matters, Shelby Energy agrees to pay court costs, litigation expenses, witness fees, deposition expenses, travel, telephone and photo static copies at the rate of \$.10 per page, and outgoing faxes at the rate of \$2.00 for the first page and \$1.00 per page thereafter, and other out-of-pocket expenses, as they are incurred.
- 6. I agree to diligently and faithfully pursue all matters referred to me to the best of my ability. Shelby Energy understands that I have made no assurance that the conclusion of any such matters will be successful or favorable, and Shelby Energy Agrees to pay all fees and expenses advanced regardless of the outcome of these matters. It is further understood that, although I have agreed to undertake to represent you to the best of my ability, I have not promised any specific result or outcome.
- 7. I will not file suit or commence any other judicial or regulatory proceeding without Shelby Energy's express consent, and neither of us shall enter into any settlement without the express consent of the other.
- 8. Shelby Energy shall be billed on a periodic (generally monthly) basis. All unpaid statements shall bear interest at the rate of 12% per annum from and after 30 days from the date of the statement.
- 9. Should the fees which accrue be collected through legal proceedings or be paid after the institution of legal proceedings, Shelby Energy agrees to pay all costs of collection including a reasonable attorney's fee.
- 10. I reserve the right to withdraw as counsel for Shelby Energy if upon further investigation of any matter I decide in my professional judgment that pursuing such matter is inadvisable, or if Shelby Energy refuses to accept my advice, Shelby Energy fails to respond to my communications, or fails to keep my office provided with Shelby Energy's current address. If the statements for legal services and expenses are not paid within 30 days from the date of the billing, I shall also have the option to withdraw as Shelby Energy's attorney. Shelby Energy may terminate my services at any time, with or without cause.
- 11. This agreement shall be automatically renewed on an annual basis unless cancelled or altered by mutual consent in writing. It is the entire agreement between us, and shall be binding upon our respective successors and assigns. This agreement shall be governed by the law of the State of Kentucky.

Exhibit 9 Page 8 of 8

Please sign one of the copies of this letter to indicate you have read this letter and agree with the contents of this letter, and return that signed copy to me. The extra copy is for your records.

Thank you very much for the opportunity to represent Shelby Energy in these matters. An accurate understanding of the basis for compensation is necessary in all professional relationships in order to avoid unpleasant potential surprises down the road.

Yours truly,

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

Donald T. Prather

Signature of Client:

Shelby Energy Cooperative, Inc.

George W. Busey, Chairman of the Board

DTP/mew dtp/sec/Busey, George W. – client engagement letter

| Shelby Energy Cooperative Case No. 2009-00410 Name of Board Members July 31, 2009  President George N. Busey 4390 Vigo Road Bagdad, Ky 40003  Vice President Ashley Chilton 6041 Castle Highway Pleasureville, KY 40057 | Ú |
|---|---|
| Case No. 2009-00410  Name of Board Members July 31, 2009  President George N. Busey 4390 Vigo Road Bagdad, Ky 40003  Vice President Ashley Chilton 6041 Castle Highway Pleasureville, KY 40057                          |   |
| Name of Board Members July 31, 2009  President George N. Busey 4390 Vigo Road Bagdad, Ky 40003  Vice President Ashley Chilton 6041 Castle Highway Pleasureville, KY 40057   |   |
| July 31, 2009  B  President  George N. Busey 4390 Vigo Road Bagdad, Ky 40003  Vice President  Ashley Chilton 6041 Castle Highway Pleasureville, KY 40057  |   |
| 9 10 President 11 George N. Busey 4390 Vigo Road Bagdad, Ky 40003 12 Vice President 13 Ashley Chilton 6041 Castle Highway Pleasureville, KY 40057   |   |
| 9 10 President 11 George N. Busey 4390 Vigo Road Bagdad, Ky 40003 12 Vice President 13 Ashley Chilton 6041 Castle Highway Pleasureville, KY 40057   |   |
| President George N. Busey 4390 Vigo Road Bagdad, Ky 40003 Vice President Ashley Chilton 6041 Castle Highway Pleasureville, KY 40057   |   |
| George N. Busey 4390 Vigo Road Bagdad, Ky 40003  Vice President Ashley Chilton 6041 Castle Highway Pleasureville, KY 40057  |   |
| Vice President Ashley Chilton 6041 Castle Highway Pleasureville, KY 40057   |   |
| Ashley Chilton 6041 Castle Highway Pleasureville, KY 40057  |   |
|   |   |
| Constant Transpros  |   |
| 14 Secretary-Treasurer  |   |
| Roger Taylor 177 Lake Jericho Rd Smithfield, KY 40068   |   |
| 16  |   |
| 17 Joe Butler 10664 Hwy 421 N. Miltin, Ky 40045   |   |
| 18 R. Wayne Stratton 115 Bluebird Drive Shelbyville, KY 40065   |   |
| 19 Randy Stevens 849 New Hope Road Bedford, Ky 40006  |   |
| 20 Reginald Rand * PO Box 273 Bedford, Ky 40006   |   |
| * retired and was replaced by Randy Stevens   |   |
| 22  |   |
| East Kentucky Power Cooperative representative  |   |
| R. Wayne Stratton   |   |
| 25  |   |
| 26 KAEC representative  |   |
| George N. Busey 28  |   |
| 29 NRECA representative   |   |
| 30 Ashley Chilton   |   |
| 31  |   |
| 32  |   |
| 33  |   |

|    |   | F 1 1 1 4 10         |
|----|---|----------------------|
| 1  |   | Exhibit 10           |
| 2  |   | page 2 of by         |
| 3  |   | Witness: Jim Adkins  |
| 4  | ~ 44 ~ ~  |                      |
| 5  | Shelby Energy Cooperativ                              | <i>r</i> e           |
| 6  | Case No. 2009-00410                                   |                      |
| 7  | Adjustment for Director exp                           | penses               |
| 8  | July 31, 2009   |                      |
| 9  |   |                      |
| 10 |   |                      |
| 11 | Certain expenses are generally disallowed for rate a  | naking purposes that |
| 12 | are incurred for, and on behalf of, Directors of an e | lectric cooperative. |
| 13 | Shelby Energy has made this adjustment to recogni     | ze those expenses.   |
| 14 |   |                      |
| 15 |   |                      |
| 16 | KAEC annual meeting for non-representative:           |                      |
| 17 | Reginald Rand   | 157.14               |
| 18 | Ç   |                      |
| 19 | EKPC annual meeting for non-representative:           |                      |
| 20 | Ashley Chilton  | 152.8                |
| 21 | Randy Stevens   | 191.30               |
| 22 | Tioning 500 Cond                                      |                      |
| 23 | Per diems:  |                      |
| 24 | All directors   | 600.00               |
| 25 | THI directors   | 000.00               |
| 26 | General expenses for all employees                    |                      |
| _  | Christmas gifts                                       | 900.00               |
| 27 | Health insurance                                      | 42,200.00            |
| 28 | Health Histianice                                     | 72,200.00            |
| 29 |   |                      |
| 30 |   | 44 201 24            |
| 31 |   | 44,201.24            |

Shelby Energy Cooperative Case No. 2009-00410 **Director Fees and Expenses** July 31, 2009

Exhibit 10 page 3f/84 Witness: Jim Adkins

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|---|--|
| 6 |  |

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| 7<br>8 |                   | Regular<br>Board | Other<br>Board | Per         |                | Air         | Meeting     | II.a.l       | Maala | Health    | Misc     | <u>Total</u> |
|--------|-------------------|------------------|----------------|-------------|----------------|-------------|-------------|--------------|-------|-----------|----------|--------------|
| 9      |                   | Mtg              | Mtg            | <u>Diem</u> | <u>Mileage</u> | <u>Fare</u> | <u>Fees</u> | <u>Hotel</u> | Meals | Insurance | Expenses | 10141        |
| 10     |                   |                  |                |             |                |             |             |              |       |           |          |              |
| 11     | George N. Busey   | 3,300            | 400            | (100)       | 417            | 0           | 0           | 14           | 0     | (398)     | 150      | 3,783        |
| 12     | Ashley Chilton    | 3,300            | 300            | 100         | 324            | 0           | 0           | 0            | 0     | (902)     | 150      | 3,272        |
| 13     | Roger Taylor      | 15,300           | 300            | 100         | 343            | 0           | 0           | 0            | 0     | (38)      | 150      | 16,155       |
| 14     | Joe Butler        | 3,000            | 300            | 0           | 270            | 0           | 0           | 0            | 0     | (899)     | 150      | 2,821        |
| 15     | R. Wayne Stratton | 3,300            | 400            | 0           | 86             | 0           | 0           | 0            | 0     | (902)     | 175      | 3,058        |
| 16     | Randy Stevens     | 5,200            | 0              | 100         | 259            | 0           | 0           | 0            | 0     | (14)      | 0        | 5,545        |
| 17     | Reginald Rand     | 1,500            | 400            | 0           | 367            | 0           | 0           | 8            | 0     | (497)     | 150      | 1,928        |
| 18     | General expenses  | 0                | 0              | 0           | 0              | 0           | 0           | 0            | 2,074 | 45,851    | 4,746    | 52,671       |
| 19     |                   |                  |                |             |                |             |             |              |       |           |          |              |
| 20     | Total             | 34,900           | 2,100          | 200         | 2,067          | 0           | 0           | 22           | 2,074 | 42,200    | 5,671    | 89,234       |

Shelby Energy Cooperative Case No. 2009-00410 George N. Busey Exhibit 10 page 4of 14

Witness: JimAdkins

150.00 3,783.08

0.00

0.00

0.00

417.36

(100.00)

400.00

3,300.00

14.00

(398.28)

| 3           |                       |                        |              |                                |                          | •                      | George N. J        | Busey          |                    |                        |              |              |                      |                 |                    |
|-------------|-----------------------|------------------------|--------------|--------------------------------|--------------------------|------------------------|--------------------|----------------|--------------------|------------------------|--------------|--------------|----------------------|-----------------|--------------------|
| 4<br>5<br>6 | <u>Date</u>           | Check<br><u>Number</u> | <u>Payee</u> | <u>Explanation</u>             | Regular<br><u>Bd Mtg</u> | Other<br><u>Bd Mtg</u> | Per<br><u>Diem</u> | Mileage        | Air<br><u>Fare</u> | Meeting<br><u>Fees</u> | <u>Hotel</u> | <u>Meals</u> | Health<br><u>Ins</u> | Misc<br>Expense | <u>Total</u>       |
| 7<br>8      | 9/5/2008              | 44965                  |              |                                | 300.00                   | 100.00                 |                    | 11.70<br>11.70 |                    |                        |              |              | (33.48)              |                 | 278.22<br>111.70   |
| 9<br>10     | 9/5/2008<br>09/26/08  | 44965<br>45118         |              | Special mtg                    | 300.00                   | 100.00                 |                    | 11.70          |                    |                        |              |              | (33.48)              |                 | 278.22<br>111.70   |
| 11<br>12    | 09/26/08<br>11/07/08  | 45118<br>45428         |              | Special mtg                    | 300.00                   | 100.00                 |                    | 11.70<br>11.70 |                    |                        |              |              | (33.48)              |                 | 278.22<br>111.70   |
| 13          | 11/07/08              | 45428<br>45428         |              | Special mtg<br>KAEC Director t | raining                  | 100.00                 | 100.00             | 11.70<br>98.28 |                    |                        |              |              |                      |                 | 198.28             |
| 14<br>15    | 11/07/08              | 45565                  |              | KAEC annual m                  | 300.00                   |                        | (100.00)           | 11.70<br>49.14 |                    |                        | 14.00        |              | (33.48)              |                 | 278.22<br>(36.86)  |
| 16<br>17    | 12/02/08<br>12/23/08  | 45565<br>45727         |              |                                | 300.00                   |                        | (100.00)           | 11.70          |                    |                        |              |              | (33.48)              |                 | 278.22<br>(39.16)  |
| 18<br>19    | 12/23/08<br>02/13/09  | 45727<br>46049         |              | KAEC operation                 | 300.00                   | 100.00                 | (100.00)           | 22.00<br>11.00 |                    |                        |              |              | (33.48)              |                 | 288.52<br>111.00   |
| 20<br>21    | 3/13/2009<br>4/7/2009 | 46270<br>46419         |              | Mgt audit                      | 300.00                   | 100.00                 |                    | 22.00          |                    |                        |              |              | (63.48)<br>(33.48)   |                 | 258.52<br>277.52   |
| 22<br>23    | 05/05/09<br>6/16/2009 | 46604<br>46887         |              |                                | 300.00<br>300.00         |                        |                    | 11.00<br>22.00 |                    |                        |              |              | (33.48)              |                 | 288.52<br>283.02   |
| 24<br>25    | 7/17/2009<br>8/1/2009 | 47117<br>47233         |              |                                | 300.00<br>300.00         |                        |                    | 16.50<br>11.00 |                    |                        |              |              | (33.48)              |                 | 277.52<br>150.00 x |
| 26          | 12/12/2008            |                        |              | Christmas gift                 |                          |                        |                    |                |                    |                        |              |              |                      | 150.00          | 150.00 A           |

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Shelby Energy Cooperative Case No. 2009-00410 Ashley Chilton

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26

Exhibit 10 page  $\mathfrak{S}_{\mathrm{f}}$   $\mathcal{L}$  Witness:Jim Adkins

| 4<br>5<br>6 | Date       | Check<br>Number | <u>Payee</u> | Explanation | Regular<br><u>Bd Mtg</u> | Other<br>Bd Mtg | Per<br><u>Diem</u> | Mileage | Air<br><u>Fare</u> | Meeting<br><u>Fees</u> | <u>Hotel</u> | <u>Meals</u> | Health<br><u>Ins</u> | Misc<br>Expense | <u>Total</u> |   |
|-------------|------------|-----------------|--------------|-------------|--------------------------|-----------------|--------------------|---------|--------------------|------------------------|--------------|--------------|----------------------|-----------------|--------------|---|
| 7           |            |                 |              |             | 300.00                   |                 |                    | 19.89   |                    |                        |              |              | (75.48)              |                 | 244.41       |   |
| 8           | 9/5/2008   | 44966           |              | G . I .     |                          | 100.00          |                    | 19.89   |                    |                        |              |              |                      |                 | 119.89       |   |
| 9           | 9/5/2008   | 44966           |              | Special mtg |                          | 100.00          |                    | 19.89   |                    |                        |              |              | (75.48)              |                 | 244.41       |   |
| 10          | 9/26/2008  | 45119           |              |             | 300.00                   | 100.00          |                    | 19.89   |                    |                        |              |              | •                    |                 | 119.89       |   |
| 11          | 9/26/2008  | 45119           |              | Special mtg |                          | 100.00          |                    |         |                    |                        |              |              | (75.48)              |                 | 244.41       |   |
| 12          | 11/7/2008  | 45429           |              |             | 300.00                   |                 |                    | 19.89   |                    |                        |              |              | (, , , ,             |                 | 119.89       |   |
| 13          | 11/7/2008  | 45429           |              | Special mtg |                          | 100.00          |                    | 19.89   |                    |                        |              |              | (75.48)              |                 | 244,41       |   |
| 14          | 12/2/2008  | 45557           |              |             | 300.00                   |                 |                    | 19.89   |                    |                        |              |              | (75.48)              |                 | 244.41       |   |
| 15          | 12/23/2008 | 45728           |              |             | 300.00                   |                 |                    | 19.89   |                    |                        |              |              | (75.48)              |                 | 243.22       |   |
| 16          | 2/13/2009  | 46050           |              |             | 300.00                   |                 |                    | 18.70   |                    |                        |              |              | (147.48)             |                 | 171.22       |   |
| 17          | 4/7/2009   | 46420           |              |             | 300.00                   |                 |                    | 18.70   |                    |                        |              |              | (75.48)              |                 | 243.22       |   |
| 18          | 5/5/2009   | 46605           |              |             | 300.00                   |                 |                    | 18.70   |                    |                        |              |              | (75.48)              |                 | 243.22       |   |
| 19          | 6/16/2009  | 46888           |              |             | 300.00                   |                 |                    | 18.70   |                    |                        |              |              |                      |                 | 243.22       |   |
| 20          | 7/17/2009  | 47118           |              |             | 300.00                   |                 |                    | 18.70   |                    |                        |              |              | (75.48)              |                 | 152.80       |   |
| 21          | 7/17/2009  | 47118           |              | EKPC annu   | ıal mtg                  |                 | 100.00             | 52.80   |                    |                        |              |              | (75 49)              |                 | 243.22       |   |
| 22          | 08/01/09   | 47234           |              |             | 300.00                   |                 |                    | 18.70   |                    |                        |              |              | (75.48)              | 150.00          | 150.00       | v |
| 23          | 12/12/2008 | 45665           |              | Christmas g | gift                     |                 |                    |         |                    |                        |              |              |                      | 150.00          | 150.00       | Α |
|             | 12/12/2000 | 15005           |              |             | _                        |                 |                    |         |                    |                        |              |              | (000.00)             | 150.00          | 2 271 24     |   |
| 24          |            |                 |              |             | 3,300.00                 | 300.00          | 100.00             | 324.12  | 0.00               | 0.00                   | 0.00         | 0.00         | (902.28)             | 150.00          | 3,271.84     |   |
| 25          |            |                 |              |             | - 7 <del>-</del>         |                 |                    |         |                    |                        |              |              |                      |                 |              |   |

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Shelby Energy Cooperative Case No. 2009-00410 Roger Taylor Exhibit 10 page of / / Witness:Jim Adkins

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| 4  |            |        |       |             |               |        |             |         |      |             |              |       |            |         |              |   |
|----|------------|--------|-------|-------------|---------------|--------|-------------|---------|------|-------------|--------------|-------|------------|---------|--------------|---|
| 5  |            | Check  |       |             | Regular       | Other  | Per         |         | Air  | Meeting     |              |       | Health     | Misc    | m . I        |   |
| 6  | Date       | Number | Payee | Explanation | Bd Mtg        | Bd Mtg | <u>Diem</u> | Mileage | Fare | <u>Fees</u> | <u>Hotel</u> | Meals | <u>Ins</u> | Expense | <u>Total</u> |   |
| 7  |            |        |       |             |               |        |             |         |      |             |              |       | (0.40)     |         | 2 210 02     |   |
| 8  | 9/5/2008   | 44969  |       |             | 2,300.00      |        |             | 23.40   |      |             |              |       | (3.48)     |         | 2,319.92     |   |
| 9  | 9/5/2008   | 44969  |       | Special mtg |               | 100.00 |             | 23.40   |      |             |              |       |            |         | 123.40       |   |
| 10 | 9/26/2008  | 45122  |       |             | 300.00        |        |             | 23.40   |      |             |              |       | (3.48)     |         | 319.92       |   |
| 11 | 9/26/2008  | 45122  |       | Special mtg |               | 100.00 |             | 23.40   |      |             |              |       |            |         | 123.40       |   |
| 12 | 11/7/2008  | 45432  |       |             | 1,300.00      |        |             | 23.40   |      |             |              |       | (3.48)     |         | 1,319.92     |   |
| 13 | 11/7/2008  | 45432  |       | Special mtg |               | 100.00 |             | 23.40   |      |             |              |       |            |         | 123.40       |   |
| 14 | 11/7/2008  | 45432  |       | KAEC Direc  | ctor training | 5      | 100.00      | 37.44   |      |             |              |       |            |         | 137.44       |   |
| 15 | 12/2/2008  | 45572  |       |             | 1,300.00      |        |             | 23.40   |      |             |              |       | (3.48)     |         | 1,319.92     |   |
| 16 | 12/23/2008 | 45731  |       |             | 1,300.00      |        |             | 23.40   |      |             |              |       | (3.48)     |         | 1,319.92     |   |
| 17 | 2/13/2009  | 46052  |       |             | 1,300.00      |        |             | 22.00   |      |             |              |       | (3.48)     |         | 1,318.52     |   |
| 18 | 4/7/2009   | 46422  |       |             | 2,300.00      |        |             | 22.00   |      |             |              |       | (3.48)     |         | 2,318.52     |   |
| 19 | 5/5/2009   | 46607  |       |             | 1,300.00      |        |             | 22.00   |      |             |              |       | (3.48)     |         | 1,318.52     |   |
| 20 | 6/16/2009  | 46890  |       |             | 1,300.00      |        |             | 22.00   |      |             |              |       | (3.48)     |         | 1,318.52     |   |
| 21 | 7/17/2009  | 47120  |       |             | 1,300.00      |        |             | 8.80    |      |             |              |       | (3.48)     |         | 1,305.32     |   |
| 22 | 8/1/2009   | 47236  |       |             | 1,300.00      |        |             | 22.00   |      |             |              |       | (3.48)     |         | 1,318.52     |   |
| 23 | 12/12/2008 | 45668  |       | Christmas g | ift           |        |             |         |      |             |              |       |            | 150.00  | 150.00       | X |
| 24 |            |        |       | J           |               |        |             |         |      |             |              |       |            |         |              |   |
| 25 |            |        |       |             | 15,300.00     | 300.00 | 100.00      | 343.44  | 0.00 | 0.00        | 0.00         | 0.00  | (38.28)    | 150.00  | 16,155.16    |   |
|    |            |        |       |             |               |        |             |         |      |             |              |       |            |         |              |   |

| 1<br>2<br>3 |            |        |       |             |         |        | Case No. 2 | y Cooperative<br>2009-00410<br><b>Butler</b> | :    |         |       |       |          | pa      | Exhibit 10<br>ge <b>7</b> of 14<br>Iim Adkins |
|-------------|------------|--------|-------|-------------|---------|--------|------------|--|------|---------|-------|-------|----------|---------|---|
| 4<br>5      |            | Check  |       |             | Regular | Other  | Per        |  | Air  | Meeting |       |       | Health   | Misc    |   |
| 6           | Date       | Number | Payee | Explanation | Bd Mtg  | Bd Mtg | Diem       | Mileage                                      | Fare | Fees    | Hotel | Meals | Ins      | Expense | Total   |
| 7           | \$11       |        |       |             |         |        |            |  |      |         |       |       |          |         |   |
| 8           | 9/5/2008   | 44964  |       |             | 300.00  |        |            | 11.70  |      |         |       |       | (75.48)  |         | 236.22  |
| 9           | 9/5/2008   | 44964  |       | Special mtg |         | 100.00 |            | 50.31  |      |         |       |       |          |         | 150.31  |
| 10          | 9/26/2008  | 45117  |       |             | 300.00  |        |            | 11.70  |      |         |       |       | (75.48)  |         | 236.22  |
| 11          | 9/26/2008  | 45117  |       | Special mtg |         | 100.00 |            | 11.70  |      |         |       |       |          |         | 111.70  |
| 12          | 11/7/2008  | 45427  |       |             | 300.00  |        |            | 11.70  |      |         |       |       | (75.48)  |         | 236.22  |
| 13          | 11/7/2008  | 45427  |       | Special mtg |         | 100.00 |            | 11.70  |      |         |       |       |          |         | 111.70  |
| 14          | 12/23/2008 | 45726  |       |             | 300.00  |        |            | 11.70  |      |         |       |       | (147.48) |         | 164.22  |
| 15          | 2/13/2009  | 46048  |       |             | 300.00  |        |            | 47.30  |      |         |       |       | (75.48)  |         | 271.82  |
| 16          | 4/7/2009   | 46418  |       |             | 300.00  |        |            | 47.30  |      |         |       |       | (147.48) |         | 199.82  |
| 17          | 5/5/2009   | 46603  |       |             | 300.00  |        |            |  |      |         |       |       | (75.48)  |         | 224.52  |
| 18          | 6/16/2009  | 46886  |       |             | 300.00  |        |            | 11.00  |      |         |       |       | (75.48)  |         | 235.52  |
| 19          | 7/17/2009  | 47116  |       |             | 300.00  |        |            | 33.00  |      |         |       |       | (75.48)  |         | 257.52  |
| 20          | 8/1/2009   | 47232  |       |             | 300.00  |        |            | 11.00  |      |         |       |       | (75.48)  |         | 235.52  |
| 21          | 12/12/2008 | 45663  |       | Christmas g | ift     |        |            |  |      |         |       |       |          | 150.00  | 150.00 x                                      |

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150.00 2,821.31

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Shelby Energy Cooperative Case No. 2009-00410 R. Wayne Stratton

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25 26 Exhibit 10 page of 14 Wintess:Jim Adkins

| 4<br>5<br>6   | <u>Date</u>  | Check<br>Number   | Payee | Explanation                                   | Regular<br><u>Bd Mtg</u>   | Other<br>Bd Mtg            | Per<br><u>Diem</u> | Mileage   | Air<br><u>Fare</u> | Meeting<br><u>Fees</u> | <u>Hotel</u> | <u>Meals</u> | Health<br><u>Ins</u>  | Misc<br>Expense | <u>Total</u>   |  |
|---|--|---|-------|---|--|----------------------------|--------------------|---|--------------------|------------------------|--------------|--------------|---|-----------------|--|--|
| 7<br>8<br>9<br>10<br>11<br>12<br>13<br>14<br>15<br>16<br>17<br>18<br>19 | Date  9/5/2008 9/5/2008 9/26/2008 11/7/2008 11/7/2008 12/2/2008 12/23/2008 2/13/2009 3/13/2009 4/7/2009 5/5/2009 6/16/2009 7/17/2009 | Number  44967  44967  45120  45120  45430  45569  45729  46051  46286  46421  46606  46889  47119 | Payee | Special mtg Special mtg Special mtg Mgt audit | 300.00<br>300.00<br>300.00<br>300.00<br>300.00<br>300.00<br>300.00<br>300.00<br>300.00 | 100.00<br>100.00<br>100.00 | <u>Brem</u>        | 4.68<br>4.68<br>4.68<br>4.68<br>4.68<br>4.68<br>4.68<br>4.40<br>4.40<br>4.40<br>4.40<br>4.40<br>4.40<br>22.00 |                    |                        |              |              | (75.48)<br>(75.48)<br>(75.48)<br>(75.48)<br>(75.48)<br>(75.48)<br>(75.48)<br>(75.48)<br>(75.48) | 24.50           | 229.20<br>104.68<br>229.20<br>104.68<br>229.20<br>104.68<br>229.20<br>229.20<br>228.92<br>128.90<br>156.92<br>228.92<br>228.92<br>228.92 |  |
| 21<br>22  | 8/1/2009   | 47235   |       |   | 300.00   |                            |                    | 4.40  |                    |                        |              |              | (75.48)   | 150.00          | 228.92<br>150.00 x   |  |
| 23<br>24<br>25  | 12/12/2008   | 45666   |       | Christmas gift                                | 3,300.00   | 400.00                     | 0.00               | 85.84   | 0.00               | 0.00                   | 0.00         | 0.00         | (902.28)  | 174.50          | 3,058.06   |  |

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| 4  |           |
| 5  |           |
| 6  | Date      |
| 7  |           |
| 8  | 5/5/2009  |
| 9  | 6/16/2009 |
| 10 | 7/17/2009 |
|    |           |

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## Shelby Energy Cooperative Case No. 2009-00410 Randy St

Exhibit 10 page 9 of 14 Witness: Alan Zumstein

| Stevens | Witness: Alan Zumster |
|---------|-----------------------|
|         |                       |

| 4<br>5<br>6                               | Date  | Check<br>Number                           | Payee | Explanation     | Regular<br>Bd Mtg                                 | Other<br>Bd Mtg | Per<br>Diem | Mileage                                   | Air<br>Fare | Meeting<br>Fees | Hotel | Meals | Health<br>Ins                        | Misc<br>Expense | Total  |
|---|---|---|-------|-----------------|---|-----------------|-------------|---|-------------|-----------------|-------|-------|--------------------------------------|-----------------|--|
| 7<br>8<br>9<br>10<br>11<br>12<br>13<br>14 | 5/5/2009<br>6/16/2009<br>7/17/2009<br>7/17/2009<br>8/1/2009 | 46618<br>46902<br>47130<br>47130<br>47243 |       | EKPC annual mts | 1,300.00<br>1,300.00<br>1,300.00<br>g<br>1,300.00 |                 | 100.00      | 36.85<br>42.90<br>42.90<br>91.30<br>45.10 |             |                 |       |       | (3.48)<br>(3.48)<br>(3.48)<br>(3.48) |                 | 1,333.37<br>1,339.42<br>1,339.42<br>191.30<br>1,341.62<br>0.00<br>0.00<br>0.00 |
| 16<br>17                                  |   |   |       |                 | 5,200.00  | 0.00            | 100.00      | 259.05                                    | 0.00        | 0.00            | 0.00  | 0.00  | (13.92)                              | 0.00            | 5,545.13   |

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Shelby Energy Cooperative Case No. 2009-00410 Reginald Rand \* Exhibit 10 page/cof //

|     |       | _   |        |
|-----|-------|-----|--------|
| Wit | ness: | Jim | Adkins |

| 4  |            |               |              |                    | D 1      | 046    | Dom.        |                | Air         | Meeting     |              |              | Health     | Misc           |              |
|----|------------|---------------|--------------|--------------------|----------|--------|-------------|----------------|-------------|-------------|--------------|--------------|------------|----------------|--------------|
| 5  |            | Check         |              |                    | Regular  | Other  | Per         | 11             |             | _           | TT.4.1       | N f = = 1 =  |            |                | Total        |
| 6  | Date       | <u>Number</u> | <u>Payee</u> | <u>Explanation</u> | Bd Mtg   | Bd Mtg | <u>Diem</u> | <u>Mileage</u> | <u>Fare</u> | <u>Fees</u> | <u>Hotel</u> | <u>Meals</u> | <u>Ins</u> | <u>Expense</u> | <u>Total</u> |
| 7  |            |               |              |                    |          |        |             |                |             |             |              |              | (00.40)    |                | 0.40.20      |
| 8  | 9/5/2008   | 44968         |              |                    | 300.00   |        |             | 39.78          |             |             |              |              | (99.48)    |                | 240.30       |
| 9  | 9/5/2008   | 44968         |              | Special mtg        |          | 100.00 |             | 39.78          |             |             |              |              |            |                | 139.78       |
| 10 | 9/26/2008  | 45121         |              | 1 0                | 300.00   |        |             | 39.78          |             |             |              |              | (99.48)    |                | 240.30       |
| 11 | 9/26/2008  | 45121         |              | Special mtg        |          | 100.00 |             | 39.78          |             |             |              |              |            |                | 139.78       |
|    | 11/7/2008  | 45431         |              | opeoidi m.s        | 300.00   |        |             | 39.78          |             |             |              |              | (99.48)    |                | 240.30       |
| 12 |            |               |              | C                  | 300.00   | 100.00 |             | 39.78          |             |             |              |              | ,          |                | 139.78       |
| 13 | 11/7/2008  | 45431         |              | Special mtg        |          | 100.00 |             |                |             |             |              |              | (00.49)    |                | 240.30       |
| 14 | 12/2/2008  | 45570         |              |                    | 300.00   |        |             | 39.78          |             |             |              |              | (99.48)    |                |              |
| 15 | 12/2/2008  | 45570         |              | KAEC annual mtg    |          | 100.00 |             | 49.14          |             |             | 8.00         |              |            |                | 157.14       |
| 16 | 12/23/08   | 45730         |              | _                  | 300.00   |        |             | 39.78          |             |             |              |              | (99.48)    |                | 240.30       |
| 17 | 12/12/2008 | 45667         |              | Christmas gift     |          |        |             |                |             |             |              |              |            | 150.00         | 150.00       |
|    | 12/12/2006 | 45007         |              | Ciriotinas Bire    |          |        |             |                |             |             |              |              |            |                |              |
| 18 |            |               |              |                    | 1 500 00 | 400.00 | 0.00        | 267 20         | 0.00        | 0.00        | 8.00         | 0.00         | (497.40)   | 150.00         | 1,927.98     |
| 19 |            |               |              |                    | 1,500.00 | 400.00 | 0.00        | 367.38         | 0.00        | 0.00        | 0.00         | 0.00         | (477.40)   | 150.00         | 1,721.70     |

Shelby Energy Cooperative Case No. 2009-00410 General Expenses July 31, 2009

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18

Exhibit 10
page // of / 
Witness: Jim Adkins

| 5<br>6<br>7                    | <u>Date</u>                                  | Check<br><u>Number</u>                   | Payee   | Description   | Regular<br><u>Bd Mtg</u>                              | Other<br><u>Bd Mtg</u> | Per<br><u>Diem</u> | Mileage | Air<br><u>Fare</u> | Meeting<br><u>Fees</u> | <u>Hotel</u> | Meals              | Health<br><u>Ins</u> | Misc<br>Expense             | <u>Total</u>   |
|--------------------------------|--|--|---|---|---|------------------------|--------------------|---------|--------------------|------------------------|--------------|--------------------|----------------------|-----------------------------|--|
| 8<br>9<br>10<br>11<br>12<br>13 | 7/21/2009<br>var<br>var<br>var<br>var<br>var | 47143<br>var<br>var<br>var<br>var<br>var | NRECA<br>EKPC<br>NRECA<br>Visa<br>All the Way Shop<br>Federated Ins | RE Magazir<br>Health insur<br>24 Hour acc<br>Board meals<br>op Board meals<br>DOM liabili | rance premi<br>cident<br>s and snacks<br>s and snacks | S<br>S                 |                    |         |                    |                        |              | 330.01<br>1,743.73 | 45,851.23            | 415.00<br>75.40<br>4,256.00 | 415.00<br>45,851.23<br>75.40<br>330.01<br>1,743.73<br>4,256.00<br>0.00 |
| 15<br>16<br>17                 |  |  |   |   | 0.00  | 0.00                   | 0.00               | 0.00    | 0.00               | 0.00                   | 0.00         | 2,073.74           | 45,851.23            | 4,746.40                    | 52,671.37  |

Exhibit 10
Page 12 ofly

## SHELBY ENERGY COOPERATIVE, INC. Shelbyville, Kentucky

#### POLICY NO. 106

#### DIRECTOR AND ATTORNEY BENEFITS

#### I. OBJECTIVE

The Board of Directors and Attorney serves an integral role in the Cooperative and the communities served by the Cooperative. Their responsibilities are many and all action taken by the board must display a true commitment to serve all members in a trustworthy and professional manner. To provide for the Board of Directors and Attorney benefits that will help retain competent and well-qualified individuals to perform these responsibilities and duties inside and outside the Board meeting. The following benefits will be provided for the Board and Attorney:

#### Π. CONTENT

#### A. Monthly Stipend/Major Medical

For Directors and Attorney elected or appointed <u>before</u> July 1, 1996, they may choose Option (1), Option (2), or Option (3) listed below. Once the Director or Attorney chooses Option (2) or Option (3), he/she will no longer be eligible for Option (1).

For Directors and Attorney elected or appointed <u>after</u> July 1, 1996, the benefits will be based on Option (3). The benefits listed in Board Policy No. 917 and Board Policy No. 920 will no longer be available and no health or medical insurance premiums shall be paid by the Cooperative.

#### Option (1)

For Directors and Attorney elected or appointed <u>before</u> July 1, 1996, participation in the benefits as described in Board Policy No. 917 and Board Policy No. 920 will continue.

#### Option (2)

1. For Directors elected <u>before</u> July 1, 1996, a monthly stipend of \$1,000 shall be received in addition to the director fees as covered in Board Policy No. 110.

The benefits listed in Board Policy No. 917 and Board Policy No. 920 will no longer be available and no health or medical insurance premiums shall be paid by the Cooperative.

If a director retires with 20 or more years of active service, a monthly stipend of \$750 shall be received. Should the director be survived by a spouse, the stipend will continue until the death or remarriage of the spouse, whichever first occurs.

2. For the Attorney appointed <u>before</u> July 1, 1996, a monthly stipend of \$1,000 shall be received in addition to the monthly legal retainer as agreed upon by the Board of Directors.

The benefits listed in Board Policy No. 917 and Board Policy No. 920 will no longer be available and no health or medical insurance premiums shall be paid by the Cooperative

If the Attorney retires with 20 or more years of active service, a monthly stipend of \$750 shall be received. Should the Attorney be survived by a spouse, the stipend will continue until the death or remarriage of the spouse, whichever first occurs.

#### Option (3)

- 1. For Directors elected <u>after July 1, 1996</u>, a monthly stipend of \$1,000 shall be received in addition to the director fees as covered in Board Policy No. 110.
- 2. For the Attorney appointed <u>after</u> July 1, 1996, a monthly stipend of \$1,000 shall be received in addition to the monthly legal retainer as agreed upon by the Board of Directors.

#### B. Manager, Officer, Director Liability Insurance

The Cooperative carries Manager, Officer, Director Liability Insurance on

Exhibit 10 Page 14 of 19

the above individuals. This covers negligent acts, any error, any omission or any breach of duty while acting in their capacity as Directors, Officers or Manager.

#### C. Business Travel

The Cooperative provides a Business Travel Policy covering the Director and/or Attorney while traveling to further the business of the Cooperative based on certain limitations within the policy.

#### D. 24 Hour Accident

The Cooperative provides a 24 Hour Accident Policy. This policy covers the insured while traveling for the Cooperative or while at home on personal business.

#### III. RESPONSIBILITY

The President and Chief Executive Officer is responsible to the Board to see that overall compliance with this policy is adhered to.

Adopted:

December 22, 1982

Revised:

April 28, 1988 June 24, 1999

July 31, 2007

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| 1<br>2<br>3 |  | Exhibit 11  page <u>f</u> of <u>12</u> Witness: Jim Adkins |  |  |  |  |
|-------------|--|--|--|--|--|--|
| 4           | Shelby Energy Cooperative  |  |  |  |  |  |
| 5           | Case No. 2009-00410  |  |  |  |  |  |
| 6           | Adjustment for miscellaneous expens  | ees  |  |  |  |  |
| 7           | July 31, 2009  |  |  |  |  |  |
| 8           |  |  |  |  |  |  |
| 9           |  | 1.   |  |  |  |  |
| 10          | Certain advertising expenses are disallowed for rate m                           |  |  |  |  |  |
| 11          | safety, conservation, information or the annual meeting. These have been removed |  |  |  |  |  |
| 12          | from Account 909.00, Informational Expense.                                      |  |  |  |  |  |
| 13          |  |  |  |  |  |  |
| 14          | Scholarships, the Washington Youth Tour, and other donations have been removed   |  |  |  |  |  |
| 15          | from Account 908.00, Customer Assistance Expense.                                |  |  |  |  |  |
| 16          |  |  |  |  |  |  |
| 17          | Employee Christmas and picnics have been removed,                                |  |  |  |  |  |
| 18          | annual meeting gifts, annual meeting nominating com                              |  |  |  |  |  |
| 19          | Conference expenses have been removed from Account                               | nt 930.20, Miscellaneous                                   |  |  |  |  |
| 20          | General Expenses.  |  |  |  |  |  |
| 21          |  |  |  |  |  |  |
| 22          | The amounts removed for rate making purposes have l                              | been identified with an ("x")                              |  |  |  |  |
| 23          | and are summarized as follows:   |  |  |  |  |  |
| 24          |  | 10.007   |  |  |  |  |
| 25          | Account 908.00, Customer assistance  | 10,225   |  |  |  |  |
| 26          | Account 909.00, Informational expenses   | 3,911  |  |  |  |  |
| 27          | Account 909.00, Miscellaneous general  | 29,309   |  |  |  |  |
| 28          | - · · ·  | 40.445   |  |  |  |  |
| 29          | Total to remove  | 43,445   |  |  |  |  |
| 30          |  |  |  |  |  |  |
| 31          |  |  |  |  |  |  |

Exhibit <u>I</u>
page <u>2</u> of <u>I</u>
Witness: Jim Adkins

# Shelby Energy Cooperative Case No. 2009-00410

## **Customer Assistance Account 908.00**

July 31, 2009

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| 9  |             | Check  |                           |               |                         |
|----|-------------|--------|---------------------------|---------------|-------------------------|
| 10 | <u>Date</u> | Number | <u>Payee</u>              | <u>Amount</u> | <u>Description</u>      |
| 11 |             |        |                           |               |                         |
| 12 | 8/12/2008   | 44832  | Western Ky Univ           | 1,000.00      | x Scholarship           |
| 13 | 8/12/2008   | 44833  | Lee Univ                  | 1,000.00      | x Scholarship           |
| 14 | 10/31/2008  | 45365  | Shelbyville Bd of Realton | 125.00        | Annual membership fee   |
| 15 | 12/12/2008  | 45657  | NRECA                     | 15.02         | x Youth tour poster     |
| 16 | 12/30/2008  | 45754  | Visa                      | 235.57        | Photo supplies          |
| 17 | 1/20/2009   | 45911  | KAEC                      | 929.74        | x 4-H contribution      |
| 18 | 2/3/2009    | 45978  | Nationwide Imprinting C   | 620.31        | x Washington Youth Tour |
| 19 | 4/7/2009    | 46433  | Trimble Co Public Librar  | 200.00        | x Donation              |
| 20 | 4/10/2009   | 46446  | Trimble Co Extension Of   | 50.00         | x Donation              |
| 21 | 6/6/2009    | 46944  | KAEC                      | 2,400.00      | x Washington Youth Tour |
| 22 | 7/7/2009    | 47028  | Univ of Ky                | 1,000.00      | x Scholarship           |
| 23 | 7/7/2009    | 47028  | Univ of Ky                | 1,000.00      | x Scholarship           |
| 24 | 7/10/2009   | 47069  | Univ of Ky                | 1,000.00      | x Scholarship           |
| 25 | 7/21/2009   | 47147  | Univ of Ky                | 1,000.00      | x Scholarship           |
| 26 | 8/4/2009    | 47253  | Visa                      | 10.37         | x Youth tour meal       |
| 27 |             |        | Employee labor and bene   | 74,997.99     |                         |
| 28 |             |        | _                         |               |                         |
| 29 |             |        |                           |               |                         |
| 30 |             |        | _                         | 85,584.00     | •                       |
| 31 |             |        | _                         |               |                         |
| 32 |             |        | Remove for rate making    | 10,225.44     | . X                     |

Exhibit 11
page 3 of 12
Witness: Jim Adkins

# Shelby Energy Cooperative Case No. 2009-00410

## **Informational Expense Account 909.00**

July 31, 2009

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| 8  |             |               |                          |               |    |                                 |
|----|-------------|---------------|--------------------------|---------------|----|---------------------------------|
| 9  |             | Check         |                          |               |    |                                 |
| 10 | <u>Date</u> | <u>Number</u> | <u>Payee</u>             | <u>Amount</u> |    | <u>Description</u>              |
| 11 |             |               |                          |               |    |                                 |
| 12 | 8/5/2008    | 44771         | Shelby Co Charities      | 100.00        |    | Donation                        |
| 13 | 8/8/2008    | 44786         | Trimble Co HS            | 25.00         |    | Donation                        |
| 14 | 8/8/2008    | 44788         | Ohio Valley United Char  | 100.00        |    | Donation                        |
| 15 | 9/20/2008   | 44947         | Eastern Elem PTO         | 50.00         | X  | Donation                        |
| 16 | 9/5/2008    | 44974         | K-95 WKID                | 95.00         |    | Safety ad                       |
| 17 | 9/5/2008    | 44977         | Trimble Co Repair Affair | 100.00        | X. | Donation                        |
| 18 | 9/5/2008    | 44979         | Ky Classified Network    | 114.82        |    | Job search posting              |
| 19 | 9/12/2008   | 45040         | Shelby Co Sheriff        | 100.00        | X  | Donation                        |
| 20 | 9/26/2008   | 45125         | Bedford Elem PTA         | 50.00         | X  | Donation                        |
| 21 | 9/26/2008   | 45130         | Campbellsburg Elem PT(   | 50.00         | X  | Donation                        |
| 22 | 10/10/2008  | 45215         | Milton Elem School       | 50.00         | X  | Donation                        |
| 23 | 10/17/2008  | 45262         | K-95 WKID                | 95.00         |    | Safety ad                       |
| 24 | 10/17/2008  | 45263         | Trimble Banner Democra   | 322.50        |    | Conservation ad                 |
| 25 | 10/17/2008  | 45264         | The Sentinel News        | 605.00        |    | Safety ad                       |
| 26 | 10/21/2008  | 45295         | Forever Communications   | 220.00        |    | Safety ad                       |
| 27 | 10/31/2008  | 45371         | Shelby Co Lady rockets   | 60.00         | X  | Donation                        |
| 28 | 11/4/2008   | 45408         | Plum Lick Publishing     | 1,119.36      |    | History of Ky cooperatives bool |
| 29 | 11/7/2008   | 45439         | Visa 3631                | 550.08        |    | Telephone directory listing     |
| 30 | 11/14/2008  | 45485         | Forever Communications   | 130.00        |    | Safety ad                       |
| 31 | 11/21/2008  | 45527         | Trimble Banner Democra   | 57.00         | Х  | Promotion ad                    |
| 32 | 12/5/2008   | 45593         | K-95 WKID                | 100.00        |    | Safety ad                       |
| 33 | 12/5/2008   | 45613         | The Sentinel News        | 138.88        |    | Safety ad                       |
| 34 | 12/5/2008   | 45613         | The Sentinel News        | 42.40         |    | Newspaper subscription          |
| 35 | 12/9/2008   | 45631         | Shelby Co Optimist       | 50.00         | X  | Donation                        |
| 36 | 12/19/2008  | 45716         | Forever Communications   | 100.00        |    | Safety ad                       |
| 37 | 1/2/2009    | 45796         | NRECA                    | 62.50         |    | Low Cost Energy brochures       |
| 38 | 1/9/2009    | 45851         | Forever Communications   | 100.00        |    | Safety ad                       |
| 39 | 1/9/2009    | 45856         | K-95 WKID                | 100.00        |    | Safety ad                       |
| 40 | 1/9/2009    | 45857         | Trimble Banner Democra   | 239.19        | X  | Promotion ad                    |
| 41 | 1/9/2009    | 45858         | Ky Classified Network    | 292.59        |    | Promotion ad                    |
| 42 | 1/20/2009   | 45926         | Relay for Life           | 50.00         |    | Donation                        |
| 43 | 1/23/2009   | 45934         | Blue Grass Energy        | 295.00        |    | Promotion ad                    |
| 44 | 2/10/2009   | 46025         | Henry Co Local           | 30.00         |    | Donation                        |
| 45 | 2/13/2009   | 46036         | Shelby Co Fair           | 100.00        |    | Donation                        |
| 46 | 2/13/2009   | 46045         | Trimble Co Prom          | 100.00        |    | Donation                        |
| 47 | 2/13/2009   | 46056         | New Castle Spring fling  | 100.00        |    | Donation                        |
| 48 | 2/13/2009   | 46057         | Emminence HS             | 100.00        |    | Donation                        |
| 49 | 2/13/2009   | 46064         | Judy Lea Memorial        | 50.00         |    | Donation                        |
| 50 | 2/13/2009   | 46074         | Relay for Life           | 100.00        | X  | Donation                        |
| 51 | 2/17/2009   | 46092         | The Sentinel News        | 403.25        |    | Stmt of nondiscrimination ad    |
|    |             |               |                          |               |    |                                 |

Exhibit 11
page <u>4</u> of <u>12</u>
Witness: Jim Adkins

# Shelby Energy Cooperative Case No. 2009-00410

## Informational Expense Account 909.00

July 31, 2009

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| ,   |             |        | 541,                    | , 51, 2007 |   |                              |
|-----|-------------|--------|-------------------------|------------|---|------------------------------|
| 8   |             |        |                         |            |   |                              |
| 9   |             | Check  |                         |            |   | <i>5</i>                     |
| 10  | <u>Date</u> | Number | <u>Payee</u>            | Amount     |   | <u>Description</u>           |
| 11  |             |        | Tr. 61 10 15T : 1       | 20.25      |   | P 1 ( 1                      |
| 52  | 2/17/2009   | 46093  | Ky Classified Network   | 38.25      |   | Employment ad                |
| 53  | 2/24/2009   | 46129  | Shelbyville Rotary      | 100.00     |   | Donation                     |
| 54  | 2/27/2009   | 46145  | Big Bros/Big Sis        | 50.00      | X | Donation                     |
| 55  | 2/27/2009   | 46162  | Helen Robak             | 72.00      |   | Button up                    |
| 56  | 2/27/2009   | 46163  | Paducah Bank            | 375.00     |   | Donation                     |
| 57  | 3/6/2009    | 46228  | Houchen Wildlife        | 50.00      |   | Donation                     |
| 58  | 3/6/2009    | 46241  | Shelby Co Farmers Mkt   | 50.00      | X | Donation                     |
| 59  | 3/6/2009    | 46243  | Ragan Communications    | 159.00     |   | HR magazine subscription     |
| 60  | 3/10/2009   | 46255  | The Sentinel News       | 774.00     |   | Ice storm restoration        |
| 61  | 3/10/2009   | 46256  | Ky Classified Network   | 189.47     |   | Employment ad                |
| 62  | 3/10/2009   | 46257  | News Democrat           | 129.00     |   | Safety ad                    |
| 63  | 3/13/2009   | 46264  | Bagdad Baptist Church   | 50.00      |   | Donation                     |
| 64  | 3/13/2009   | 46289  | Shelby Co Fair          | 50.00      |   | Donation                     |
| 65  | 3/17/2009   | 46296  | Shelby Co HS            | 50.00      |   | Donation                     |
| 66  | 3/17/2009   | 46309  | Trimble Co HS           | 100.00     | X | Donation                     |
| 67  | 4/1/2009    | 46362  | EKPC                    | 60.00      |   | Simple Savings Tips brochure |
| 68  | 4/3/2009    | 46401  | EZ Go Golf Charity      | 50.00      | X | Donation                     |
| 69  | 4/7/2009    | 46424  | K-95 WKID               | 125.00     |   | Safety ad                    |
| 70  | 4/7/2009    | 46428  | Trimble Banner Democra  | 34.98      |   | Subscription                 |
| 71  | 4/10/2009   | 46447  | The Sentinel News       | 404.00     |   | Conservation ad              |
| 72  | 4/21/2009   | 46483  | Big Bros/Big Sis        | 25.00      | X | Donation                     |
| 73  | 5/1/2009    | 46569  | Trimble Co Apple fest   | 100.00     | X | Donation                     |
| 74  | 5/1/2009    | 46588  | Shelby Co Fair          | 50.00      | X | Donation                     |
| 75  | 5/8/2009    | 46637  | Shelby Co Charities     | 50.00      | X | Donation                     |
| 76  | 5/12/2009   | 46654  | Marnel Moorman family   | 50.00      | X | Donation                     |
| 77  | 5/12/2009   | 46662  | The Sentinel News       | 405.30     |   | EKPC rate increase flow thru |
| 78  | 5/29/2009   | 46746  | Milton Park Board       | 65.00      | X | Donation                     |
| 79  | 5/29/2009   | 46756  | Henry Co Chamber        | 60.00      | X | Sponsorship                  |
| 80  | 6/12/2009   | 46872  | Shelby Co EMS           | 350.00     | X | Donation                     |
| 81  | 6/19/2009   | 46908  | K-95 WKID               | 137.50     |   | Safety and conservation ads  |
| 82  | 6/23/2009   | 46928  | Forever Communications  | 200.00     |   | Safety and conservation ads  |
| 83  | 6/23/2009   | 46932  | The Sentinel News       | 365.00     |   | Safety ad                    |
| 84  | 6/26/2009   | 46955  | Shelby Co Theatre       | 300.00     | X | Donation                     |
| 85  | 7/7/2009    | 47036  | Bedford Loan & Deposit  | 40.00      | X | Donation shirts              |
| 86  | 7/14/2009   | 47095  | Lowes Business Acct     | 246.75     | Х | Annual mtg gifts             |
| 87  | 7/21/2009   | 47149  | Simpsonville Fall Fest  | 100.00     | X | Donation                     |
| 88  | 7/21/2009   | 47150  | Trimble Banner Democra  | 321.50     |   | Safety ad                    |
| 89  | 7/24/2009   | 47166  | Ohio Valley United Char | 50.00      | х | Donation                     |
| 90  | 7/24/2009   | 47186  | Cropper Ruritan Club    | 50.00      | х | Donation                     |
| 91  | 7/28/2009   | 47204  | Trimble Co HS           | 100.00     | Х | Donation football            |
| - 1 |             |        |                         |            |   |                              |

| 1   |             |               |            |                   |               | Exhibit 11                           |
|-----|-------------|---------------|------------|-------------------|---------------|--------------------------------------|
| 2   |             |               |            |                   |               | page $\frac{5}{2}$ of $\frac{16}{2}$ |
| 3   |             |               |            |                   |               | Witness: Jim Adkins                  |
| 4   |             |               |            | Shelby Er         | nergy Coope   | erative                              |
| 5   |             |               |            | Case N            | lo. 2009-004  | 410                                  |
| 6   |             |               |            | Informational 3   | Expense Acco  | ount 909.00                          |
| 7   |             |               |            | Ju                | ly 31, 2009   |                                      |
| 8   |             |               |            |                   |               |                                      |
| 9   |             | Check         |            |                   |               |                                      |
| 10  | <u>Date</u> | <u>Number</u> |            | Payee             | <u>Amount</u> | Description                          |
| 11  |             |               |            |                   |               |                                      |
| 92  | 7/31/2009   | 47208         | EKPC       |                   | 30.62         | Carbon Tax handout                   |
| 93  | 8/4/2009    | 47246         | KAEC       |                   | 424.00        | Ice storm books                      |
| 94  |             |               | Employ     | ee labor and bene | 8,159.98      |                                      |
| 95  |             |               |            |                   |               |                                      |
| 96  |             |               |            |                   |               |                                      |
| 97  |             |               |            | :                 | 21,138.92     |                                      |
| 98  |             |               |            |                   |               |                                      |
| 99  | Amounts to  | exclude fo    | r rate mal | king purposes     | 3,910.53      | x                                    |
| 100 |             |               |            |                   |               |                                      |
|     |             |               |            |                   |               |                                      |

# Shelby Energy Cooperative Case No. 2009-00410

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| 8  |           | Check  | ·  |           |                                   |
|----|-----------|--------|--|-----------|-----------------------------------|
| 9  | Date      | Number | Payee  | Amount    | Description                       |
| 10 |           |        | and the same of th |           |                                   |
| 11 | 8/5/2008  | 44761  | Tim Wolpert  | 250.00    | Distribution control seminar fee  |
| 12 | 8/5/2008  | 44762  | Dale Thomas  | 250.00    | Distribution control seminar fee  |
| 13 | 8/8/2008  | 44778  | Shelby Energy Petty Cash   | 10.10     | Cash short                        |
| 14 | 8/19/2008 | 44867  | KAEC   | 756.00    | CSR training (7) employees        |
| 15 | 8/19/2008 | 44868  | Shelby Energy Petty Cash   | 53.76     | Meal employee HR mtg              |
| 16 | 8/19/2008 | 44871  | Henry Co Chamber   | 42.00     | x Meals                           |
| 17 | 8/19/2008 | 44875  | Gary Warford   | 596.60    | Lineman training school expenses  |
| 18 | 8/22/2008 | 44883  | NRECA  | 1,005.00  | Acctg conf mtg fee                |
| 19 | 8/22/2008 | 44886  | TVPPA  | 190.00    | Alternating Current Fund - books  |
| 20 | 8/22/2008 | 44894  | Shelving Systems Plus  | 165.60    | Glass covering for desk           |
| 21 | 8/29/2008 | 44912  | Farrah Cox   | 87.75     | Mileage for personal vehicle      |
| 22 | 8/29/2008 | 44925  | Visa - 136   | 24.82     | UPS charge                        |
| 23 | 8/29/2008 | 44926  | Visa - 136   | 47.53     | CAD map training meal             |
| 24 | 8/29/2008 | 44927  | Visa - 3631  | 691.41    | Exp to SEDC conference            |
| 25 | 8/29/2008 | 44928  | Visa - 3989  | 595.00    | Lineman operations lab fee        |
| 26 | 8/29/2008 | 44928  | Visa - 3989  | 1,046.66  | Lineman training school motel     |
| 27 | 8/29/2008 | 44928  | Visa - 3989  | 502.50    | NRECA mtg exp - CEO               |
| 28 | 8/29/2008 | 44928  | Visa - 3989  | 298.97    | Meals for empl mtg, postage       |
| 29 | 8/29/2008 | 44929  | Visa - 4259  | 1,623.97  | Distribution control seminar exp  |
| 30 | 8/29/2008 | 44929  | Visa - 4259  | 329.41    | Lineman training school expenses  |
| 31 | 8/29/2008 | 44929  | Visa - 4259  | 277.68    | NESC Safety Training Seminar exp  |
| 32 | 9/2/2008  | 44938  | KAEC   | 225.99    | Superintendent conf fee           |
| 33 | 9/2/2008  | 44938  | KAEC   | 140.52    | Warehouse skills workshop exp     |
| 34 | 9/2/2008  | 44938  | KAEC   | 6,062.53  | Ky Living magazine                |
| 35 | 9/2/2008  | 44945  | Visa - 378   | 73.70     | Mtg w/ contractors re: safety     |
| 36 | 9/2/2008  | 44946  | Debbie Martin  | 290.16    | Mileage for personal vehicle      |
| 37 | 9/2/2008  | 44948  | Theresa Atha   | 31.01     | Mileage for personal vehicle      |
| 38 | 9/5/2008  | 44954  | UPS  | 24.60     | Postage                           |
| 39 | 9/5/2008  | 44955  | Wayne Anderson   | 288.99    | Mileage for personal vehicle      |
| 40 | 9/5/2008  | 44972  | Nancy Gossom   | 106.47    | Mileage for personal vehicle      |
| 41 | 9/5/2008  | 44976  | Mike Nethery   | 239.27    | Mileage for personal vehicle      |
| 42 | 9/5/2008  | 44978  | Gay Tennill  | 84.83     | Mileage for personal vehicle      |
| 43 | 9/5/2008  | 44986  | KMMA   | 300.00    | Registration Ky Material Mgr Asso |
| 44 | 9/9/2008  | 44997  | Shelby Energy Petty Cash   | 26.73     | Lineman training school meal      |
| 45 | 9/9/2008  | 45006  | SEDC   | 800.00    | SEDC training conference fee      |
| 46 | 9/9/2008  | 45008  | Owen Electric Coop   | 386.34    | x Ky Speedway Suite               |
| 47 | 9/9/2008  | 45020  | Ky PSC   | 15,000.00 | x Civil penalty                   |
| 48 | 9/12/2008 | 45032  | Gary Warford   | 652.52    | Lineman training school expenses  |
| 49 | 9/19/2008 | 45067  | TVPPA  | 141.00    | Lineman training school expenses  |
| 50 | 9/23/2008 | 45085  | Jason Ginn   | 759.96    | NRECA loss control seminar exp    |
| 51 | 9/26/2008 | 45105  | KAEC   | 5,778.36  | Annual mtg setups                 |
| 52 | 9/26/2008 | 45105  | KAEC   | 102.50    | New employee orientation (5) emp  |
| 53 | 9/26/2008 | 45105  | KAEC   | 6,073.97  | Ky Living magazine                |
| 54 | 9/26/2008 | 45116  | Visa - 136   | 38.80     | Postage                           |
| 55 | 9/26/2008 | 45129  | Rockhurst Univ   | 490.78    | OSHA training conference exp      |
| 56 | 9/30/2008 | 45133  | Visa - 136   | 22.04     | Meal w/ industrial customer       |
| 57 | 9/30/2008 | 45134  | NRECA  | 169.60    | Legal Reporting Svc subscription  |
| 58 | 9/30/2008 | 45135  | Visa 144   | 108.27    | Meal for employee mtg             |
|    |           |        |  |           |                                   |

Exhibit 11 page  $\underline{\mathcal{I}}$  of  $\underline{\mathcal{I}}$  Witness: Jim Adkins

## Shelby Energy Cooperative Case No. 2009-00410

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| 7   |             |        | July 31,                   | 2009          |   |                                 |
|-----|-------------|--------|----------------------------|---------------|---|---------------------------------|
| 8   |             | Check  |                            |               |   |                                 |
| 9   | <u>Date</u> | Number | <u>Payee</u>               | <u>Amount</u> |   | <u>Description</u>              |
| 10  |             |        |                            |               |   |                                 |
| 59  | 9/30/2008   | 45137  | Visa - 378                 | 92.37         |   | Employee safety mtg meal        |
| 60  | 9/30/2008   | 45140  | Visa - 3631                | 47.42         |   | Snacks for safety mtg           |
| 61  | 9/30/2008   | 45143  | Visa - 4259                | 547.66        |   | Safety training seminar exp     |
|     | 9/30/2008   | 45143  | Visa - 4259                | 119.34        |   | Meals for empl mtg              |
| 62  | 10/3/2008   | 45162  | Hall's Safety Equip        | 270.94        |   | Safety glasses                  |
| 63  | 10/3/2008   | 45177  | Debbie Martin              | 246.86        |   | Mileage for personal vehicle    |
| 64  | 10/3/2008   | 45178  | Gay Tennill                | 79.56         |   | Mileage for personal vehicle    |
| 65  | 10/3/2008   | 45180  | Farrah Cox                 | 120.51        |   | Mileage for personal vehicle    |
| 66  | 10/3/2008   | 45188  | BPW/River City             | 80.00         |   | Leadership Seminar fee          |
| 67  | 10/7/2008   | 45193  | Wayne Anderson             | 477.36        |   | Mileage for personal vehicle    |
| 68  | 10/10/2008  | 45211  | NRECA                      | 1,495.00      |   | Loss Control Int Program fee    |
| 69  | 10/14/2008  | 45226  | KAEC                       | 233.07        |   | Hotline Skills Workshop exp     |
| 70  | 10/14/2008  | 45230  | TVPPA                      | 1,200.00      |   | Utility Compliance Fact Act fee |
| 71  | 10/17/2008  | 45244  | KAEC                       | 160.55        |   | Hazmat Refresher Train seminar  |
| 72  | 10/17/2008  | 45254  | Red Bud Supply             | 516.36        |   | Safety gloves                   |
| 73  | 10/17/2008  | 45267  | Theresa Atha               | 197.60        |   | Mileage for personal vehicle    |
| 74  | 10/17/2008  | 45270  | Bedford Elementary PTA     | 50.00         | х | Donation                        |
| 75  | 10/24/2008  | 45308  | Shelby Energy Petty Cash   | 164.98        | х | Employee picnic                 |
| 76  | 10/24/2008  | 45316  | Our Best Restaurant        | 496.85        | х | Employee picnic                 |
| 77  | 10/31/2008  | 45363  | Visa 144                   | 690.18        |   | NRECA Rgion mtg exp - CEO       |
| 78  | 10/31/2008  | 45364  | Visa - 378                 | 965.08        | х | Employee picnic                 |
| 79  | 10/31/2008  | 45365  | Visa - 136                 | 128.13        |   | Membership Board of Realtors    |
| 80  | 10/31/2008  | 45370  | Visa - 4259                | 1,824.54      |   | Cert. Loss Control Program exp  |
| 81  | 11/1/2008   | 45379  | Farrah Cox                 | 227.56        |   | Mileage for personal vehicle    |
| 82  | 11/4/2008   | 45382  | KAEC                       | 55.26         |   | Energy Alert handouts           |
| 83  | 11/4/2008   | 45382  | KAEC                       | 6,080.41      |   | Ky Living magazine              |
| 84  | 11/4/2008   | 45384  | Hall's Safety Equip        | 386.53        |   | Safety boots                    |
| 85  | 11/4/2008   | 45385  | Wayne Anderson             | 319.16        |   | Mileage for personal vehicle    |
| 86  | 11/4/2008   | 45397  | Gay Tennill                | 103.35        |   | Mileage for personal vehicle    |
| 87  | 11/4/2008   | 45400  | Theresa Atha               | 7.61          |   | Mileage for personal vehicle    |
| 88  | 11/4/2008   | 45404  | Denise Hume                | 136.89        |   | Mileage for personal vehicle    |
| 89  | 11/4/2008   | 45405  | Visa - 3989                | 1,440.50      |   | SEDC training conference exp    |
| 90  | 11/7/2008   | 45439  | Visa - 3631                | 282.20        |   | "Red Flag" mtg exp              |
| 91  | 11/11/2008  | 45461  | KAEC                       | 74.00         |   | KAEC/PSC Regulation mtg meal    |
| 92  | 11/11/2008  | 45471  | Debbie Martin              | 214.70        |   | Mileage for personal vehicle    |
| 93  | 11/14/2008  | 45481  | Ace Hardware               | 27.55         |   | Office keys                     |
| 94  | 11/14/2008  | 45491  | Tractor Supply Co          | 37.08         | X | Employee picnic                 |
| 95  | 11/21/2008  | 45517  | Shelby Energy Petty Cash   | 245.46        | х | Christmas, employee picnic      |
| 96  | 11/25/2008  | 45550  | Fred Pryor Seminars        | 149.00        |   | OSHA training conference fee    |
| 97  | 12/1/2008   | 45553  | Jason Ginn                 | 62.01         |   | Mileage for personal vehicle    |
| 98  | 12/2/2008   | 45562  | Debbie Martin              | 213.06        |   | Mileage for personal vehicle    |
| 99  | 12/2/2008   | 45563  | Farrah Cox                 | 152.68        |   | Mileage for personal vehicle    |
| 100 | 12/2/2008   | 45564  | Gay Tennill                | 149.06        |   | Mileage for personal vehicle    |
| 101 | 12/2/2008   | 45566  | KAEC                       | 6,079.41      |   | Ky Living magazine              |
| 102 | 12/2/2008   | 45567  | NRECA                      | 535.00        |   | Annual mtg registration - CEO   |
| 103 | 12/2/2008   | 45568  | Nationwide Imprinting Corp | 66.11         | x | Christmas party                 |
| 104 | 12/2/2008   | 45575  | Theresa Atha               | 15.79         |   | Mileage for personal vehicle    |
| 105 | 12/5/2008   | 45591  | Infotex, Inc.              | 175.00        |   | Support for software            |
|     |             |        |                            |               |   |                                 |

Exhibit 11
page of D
Witness: Jim Adkins

# Shelby Energy Cooperative Case No. 2009-00410

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| 7   |             |        | July 31,                  | 2009          |   |                                     |
|-----|-------------|--------|---------------------------|---------------|---|-------------------------------------|
| 8   |             | Check  |                           |               |   |                                     |
| 9   | <u>Date</u> | Number | <u>Payee</u>              | <u>Amount</u> |   | <u>Description</u>                  |
| 10  |             |        |                           |               |   |                                     |
| 106 | 12/5/2008   | 45600  | Owen Electric Coop        | 2,334.00      |   | Ky Speedway Suite                   |
| 107 | 12/5/2008   | 45603  | Pro Lift                  | 65.00         |   | Fork lift operation training        |
| 108 | 12/5/2008   | 45604  | Shelby County Farm Bureau | 49.75         |   | Annual dues                         |
| 109 | 12/5/2008   | 45605  | Shelby Energy Petty Cash  | 34.71         |   | Meals for employee mtg              |
| 110 | 12/5/2008   | 45616  | Visa 144                  | 49.03         | х | Christmas party                     |
| 111 | 12/5/2008   | 45617  | Visa - 378                | 65.77         |   | Meal w/ industrial customer         |
| 112 | 12/5/2008   | 45618  | Visa - 3631               | 37.88         | Х | Christmas party                     |
| 113 | 12/5/2008   | 45619  | Visa - 3989               | 476.73        |   | Office equipment                    |
| 114 | 12/5/2008   | 45620  | Visa - 4259               | 1,158.25      |   | Loss Control Seminar exp            |
|     | 12/5/2008   | 45620  | Visa - 4259               | 97.45         | Х | Chrismas party                      |
| 115 | 12/9/2008   | 45626  | Visa - 136                | 93.65         |   | IT office parts                     |
| 116 | 12/9/2008   | 45632  | Executrain of KY          | 195.00        |   | Computer training seminar           |
| 117 | 12/9/2008   | 45632  | Executrain of KY          | 195.00        |   | Computer training seminar           |
| 118 | 12/12/2008  | 45655  | Wayne Anderson            | 256.82        |   | Mileage for personal vehicle        |
| 119 | 12/19/2008  | 45710  | Shelby Energy Petty Cash  | 50.42         | х | Christmas party                     |
| 120 | 12/22/2008  | 45720  | Farrah Cox                | 100.00        |   | Mileage for personal vehicle        |
| 121 | 12/23/2008  | 45732  | Shelby Co Chamber         | 550.00        | Х | Membership                          |
| 122 | 12/30/2008  | 45743  | KAEC                      | 364.00        |   | KAEC annual mtg exp - CEO           |
| 123 | 12/30/2008  | 45743  | KAEC                      | 6,059.56      |   | Ky Living magazine                  |
| 124 | 12/30/2008  | 45756  | Visa 144                  | 221.82        |   | KAEC annual mtg exp - CEO           |
| 125 | 12/30/2008  | 45758  | Visa - 378                | 98.36         |   | Safety mtg meal                     |
| 126 | 12/30/2008  | 45763  | Visa - 3631               | 104.62        |   | Relay for Life                      |
| 127 | 1/1/2009    | 45788  | Visa - 3989               | 1,017.24      | X | Christmas gifts                     |
| 128 | 1/2/2009    | 45791  | WT's Electric City        | 112.34        |   | Office expenses                     |
| 129 | 1/2/2009    | 45792  | Shelby Energy Petty Cash  | 10.85         | X | Christmas party                     |
| 130 | 1/2/2009    | 45794  | Wayne Anderson            | 372.04        |   | Mileage for personal vehicle        |
| 131 | 1/2/2009    | 45799  | Farrah Cox                | 147.42        |   | Mileage for personal vehicle        |
| 132 | 1/2/2009    | 45800  | Denise Hume               | 36.86         |   | Mileage for personal vehicle        |
| 133 | 1/2/2009    | 45802  | Visa - 4259               | 323.14        |   | Safety Coordinator mtg exp          |
| 134 | 1/6/2009    | 45825  | Gay Tennill               | 101.21        |   | Mileage for personal vehicle        |
| 135 | 1/6/2009    | 45828  | Theresa Atha              | 20.48         |   | Mileage for personal vehicle        |
| 136 | 1/6/2009    | 45838  | Claudia Sanders Dinner Ho | 2,162.63      | X | Christmas dinner                    |
| 137 | 1/7/2009    | 45841  | Visa - 136                | 197.30        |   | Institute of Electric Engineer dues |
| 138 | 1/9/2009    | 45855  | Debbie Martin             | 260.33        |   | Mileage for personal vehicle        |
| 139 | 1/16/2009   | 45901  | Hilltop Produce           | 175.25        |   | Employee mtg meal                   |
| 140 | 1/27/2009   | 45939  | KAEC                      | 700.00        |   | Rate Seminar fee                    |
| 141 | 1/27/2009   | 45939  | KAEC                      | 190.37        | Х | Ky Chamber dues                     |
| 142 | 1/27/2009   | 45954  | Executrain of KY          | 195.00        |   | Computer training seminar           |
| 143 | 1/27/2009   | 45957  | Hilltop Produce           | 137.80        |   | Employee training meal              |
| 144 | 6/26/2009   | 45959  | Emminence Rotary          | 1,000.00      |   | Annual mtg meals                    |
| 145 | 1/30/2009   | 45965  | Visa - 378                | 191.37        | Х | Christmas gifts                     |
| 146 | 2/3/2009    | 45975  | KAEC                      | 212.96        |   | Safety Coordinator workshop         |
| 147 | 2/3/2009    | 45979  | Visa 144                  | 57.78         |   | Meal w/ RUS representatives         |
| 148 | 2/3/2009    | 45987  | Hilltop Produce           | 164.30        |   | Employee mtg meal                   |
| 149 | 2/3/2009    | 45988  | Visa - 3989               | 303.22        |   | NRECA annual mtg exp - CEO          |
| 150 | 2/3/2009    | 45988  | Visa - 3989               | 17.74         | Х | Sympathy cards                      |
| 151 | 2/3/2009    | 45990  | Visa - 4259               | 215.92        |   | American Power Producer mtg         |
| 152 | 2/9/2009    | 46001  | TVPPA                     | 500.00        |   | Membership dues                     |
|     |             |        |                           |               |   |                                     |

Exhibit 11 page 1 of 12 Witness: Jim Adkins

# Shelby Energy Cooperative Case No. 2009-00410

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| 7   |             |        | July 51,                   | 2009     |                                    |
|-----|-------------|--------|----------------------------|----------|------------------------------------|
| 8   |             | Check  | _                          |          | - · ·                              |
| 9   | <u>Date</u> | Number | <u>Payee</u>               | Amount   | Description                        |
| 10  |             | 45011  | Y. 126                     | 01.40    |                                    |
| 153 | 2/10/2009   | 46011  | Visa - 136                 | 21.40    | Meal w/ industrial customer        |
| 154 | 2/10/2009   | 46024  | Becky Jennings             | 57.20    | Mileage for personal vehicle       |
| 155 | 2/10/2009   | 46026  | Theresa Atha               | 41.25    | Mileage for personal vehicle       |
| 156 | 2/10/2009   | 46028  | Farrah Cox                 | 103.95   | Mileage for personal vehicle       |
| 157 | 2/13/2009   | 46060  | Gay Tennill                | 55.00    | Mileage for personal vehicle       |
| 158 | 2/17/2009   | 46076  | KAEC                       | 6,059.56 | Ky Living magazine                 |
| 159 | 2/17/2009   | 46090  | Debbie Martin              | 113.85   | Mileage for personal vehicle       |
| 160 | 2/20/2009   | 46122  | Hilltop Produce            | 137.80   | CPR training meals                 |
| 161 | 2/27/2009   | 46130  | American Red Cross         | 1,767.00 | CPR training instructions          |
| 162 | 2/27/2009   | 46141  | Visa 144                   | 285.66   | UPS charges, KAEC mtg meal CEC     |
| 163 | 2/27/2009   | 46153  | Visa - 3631                | 122.67   | Meal for CSR high bill training    |
| 164 | 2/27/2009   | 46155  | Hilltop Produce            | 169.60   | Meal w/ mgt audit, PSC, consultant |
| 165 | 2/27/2009   | 46155  | Hilltop Produce            | 59.49    | Meal for employee mtg              |
| 166 | 2/27/2009   | 46158  | Visa - 4259                | 215.38   | Meal for employee mtg              |
| 167 | 3/1/2009    | 46171  | Farrah Cox                 | 149.69   | Mileage for personal vehicle       |
| 168 | 3/3/2009    | 46193  | Gay Tennill                | 74.25    | Mileage for personal vehicle       |
| 169 | 3/3/2009    | 46194  | KAEC                       | 200.00   | Mgr Assoc dues                     |
| 170 | 3/3/2009    | 46201  | Wayne Anderson             | 213.65   | Mileage for personal vehicle       |
| 171 | 3/3/2009    | 46205  | Theresa Atha               | 53.35    | Mileage for personal vehicle       |
| 172 | 3/3/2009    | 46206  | Visa - 3989                | 235.00   | NRECA annual mtg exp - CEO         |
| 173 | 3/6/2009    | 46225  | Ky Council of Cooperatives | 200.00   | Membership dues                    |
| 174 | 3/10/2009   | 46246  | KAEC                       | 6,066.51 | Ky Living magazine                 |
| 175 | 3/13/2009   | 46269  | Debbie Martin              | 73.15    | Mileage for personal vehicle       |
| 176 | 3/13/2009   | 46271  | Graduate School, USDA      | 50.00    | RUS training registration          |
| 177 | 3/13/2009   | 46284  | Preston-Osborne Marketing  | 1,037.50 | Customer satisfaction survey       |
| 178 | 3/13/2009   | 46285  | Wayne Anderson             | 377.30   | Mileage for personal vehicle       |
| 179 | 3/17/2009   | 46313  | Service Concepts           | 429.30   | Foam seal light switch covers      |
| 180 | 3/27/2009   | 46346  | V.G. Curry                 | 100.00   | x Annual mtg credential committee  |
| 181 | 3/27/2009   | 46348  | Service Concepts           | 110.93   | Foam seal light switch covers      |
| 182 | 4/1/2009    | 46365  | Visa - 136                 | 25.00    | Annual mtg photo                   |
| 183 | 4/1/2009    | 46372  | Visa - 378                 | 22.04    | Meal w/ IT consultant              |
| 184 | 4/1/2009    | 46377  | Theresa Atha               | 30.80    | Mileage for personal vehicle       |
| 185 | 4/1/2009    | 46379  | Farrah Cox                 | 310.20   | Mileage for personal vehicle       |
| 186 | 4/1/2009    | 46384  | Visa - 3989                | 1,128.93 | CSR training seminar exp           |
| 187 | 4/1/2009    | 46385  | Visa - 4259                | 166.23   | Loss Control Seminar exp           |
| 188 | 4/3/2009    | 46389  | KAEC                       | 6,055.10 | Ky Living magazine                 |
| 189 | 4/3/2009    | 46396  | Pam Goetzinger             | 36.30    | Mileage for personal vehicle       |
| 190 | 4/7/2009    | 46406  | KAEC                       | 322.00   | OSHA training conference exp       |
| 191 | 4/7/2009    | 46411  | Nationwide Imprinting Corp | 1,030.60 | x Annual mtg gifts                 |
| 192 | 4/7/2009    | 46412  | Visa                       | 24.00    | Annual fee                         |
| 193 | 4/7/2009    | 46413  | NRECA                      | 1,495.00 | Loss Control Seminar fee           |
| 194 | 4/7/2009    | 46425  | Gay Tennill                | 149.60   | Mileage for personal vehicle       |
| 195 | 4/7/2009    | 46426  | Executrain of KY           | 195.00   | Computer training seminar          |
| 196 | 4/10/2009   | 46439  | Wayne Anderson             | 324.62   | Mileage for personal vehicle       |
| 197 | 4/10/2009   | 46451  | Denise Hume                | 9.35     | Mileage for personal vehicle       |
| 198 | 4/14/2009   | 46458  | AT&T Directory Sales       | 154.80   | Yellow page ad                     |
| 199 | 4/14/2009   | 46464  | Debbie Martin              | 96.25    | Mileage for personal vehicle       |
| 200 | 4/24/2009   | 46514  | Holiday Inn Univ Plaza     | 208.70   | Employee training expenses         |
|     |             |        |                            |          |                                    |

Exhibit 11 page 10 of 12. Witness: Jim Adkins

#### Shelby Energy Cooperative Case No. 2009-00410

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| 8   |           | Check  | •                          |          |   |                                  |
|-----|-----------|--------|----------------------------|----------|---|----------------------------------|
| 9   | Date      | Number | <u>Payee</u>               | Amount   |   | <u>Description</u>               |
| 10  |           |        | -                          |          |   |                                  |
| 201 | 4/24/2009 | 46518  | KAEC                       | 75.00    |   | Accounting Seminar fee           |
| 202 | 4/24/2009 | 46521  | Nationwide Imprinting Con  | 81.22    | x | Annual mtg gifts                 |
| 203 | 4/24/2009 | 46531  | Visa - 3631                | 42.55    |   | Employee mtg meal                |
| 204 | 4/28/2009 | 46538  | Visa - 136                 | 11.90    |   | Utility Mgrs mtg meal            |
| 205 | 4/28/2009 | 46541  | Visa 144                   | 152.50   | х | Nominating committee meal        |
| 206 | 4/28/2009 | 46560  | Visa - 3989                | 2,184.17 |   | CSR training seminar exp         |
| 207 | 5/1/2009  | 46578  | Visa - 378                 | 564.42   |   | Engineering & Operations mtg exp |
| 208 | 5/1/2009  | 46585  | Farrah Cox                 | 298.10   |   | Mileage for personal vehicle     |
| 209 | 5/1/2009  | 46589  | Visa - 4259                | 1,505.35 |   | Loss Control Seminar fee         |
| 210 | 5/5/2009  | 46592  | KAEC                       | 6,052.12 |   | Ky Living magazine               |
| 211 | 5/5/2009  | 46598  | Wayne Anderson             | 359.70   |   | Mileage for personal vehicle     |
| 212 | 5/5/2009  | 46611  | Gay Tennill                | 239.39   |   | Mileage for personal vehicle     |
| 213 | 5/8/2009  | 46623  | Debbie Martin              | 295.35   |   | Mileage for personal vehicle     |
| 214 | 5/8/2009  | 46634  | Nationwide Imprinting Corp | 709.44   |   | Annual mtg ballots               |
| 215 | 5/8/2009  | 46639  | Theresa Atha               | 58.45    |   | Mileage for personal vehicle     |
| 216 | 5/15/2009 | 46672  | KAEC                       | 100.00   |   | Engineering & Operations mtg fee |
| 217 | 5/15/2009 | 46673  | Executrain of KY           | 195.00   |   | Computer training seminar        |
| 218 | 5/26/2009 | 46728  | Hilltop Produce            | 41.34    |   | Employee training meal           |
| 219 | 5/29/2009 | 46731  | KAEC                       | 6,052.62 |   | Ky Living magazine               |
| 220 | 5/29/2009 | 46739  | Visa - 136                 | 110.39   |   | TVPPA HR conference exp          |
| 221 | 5/29/2009 | 46742  | Visa 144                   | 1,383.54 | х | Legisltative Conf exp            |
| 222 | 5/29/2009 | 46745  | Visa - 378                 | 160.38   |   | Eng & Op mtg exp                 |
| 223 | 5/29/2009 | 46749  | Visa - 3631                | 613.10   |   | TVPPA HR conference exp          |
| 224 | 5/29/2009 | 46752  | Benton Bohannon            | 104.98   |   | Underground Workshop exp         |
| 225 | 5/29/2009 | 46754  | Visa - 3989                | 2,007.00 |   | Computer training courses        |
| 226 | 5/29/2009 | 46754  | Visa - 3989                | 1,435.00 |   | Load Control seminar             |
| 227 | 5/29/2009 | 46754  | Visa - 3989                | 925.20   |   | SEDC Users mtg exp               |
| 228 | 5/29/2009 | 46754  | Visa - 3989                | 125.50   |   | Board meal, office supplies      |
| 229 | 6/1/2009  | 46767  | Farrah Cox                 | 175.45   |   | Mileage for personal vehicle     |
| 230 | 6/2/2009  | 46773  | Nationwide Imprinting Corp | 100.00   | Х | Annual mtg gifts                 |
| 231 | 6/2/2009  | 46778  | Debbie Martin              | 245.85   |   | Mileage for personal vehicle     |
| 232 | 6/2/2009  | 46779  | Gay Tennill                | 212.30   |   | Mileage for personal vehicle     |
| 233 | 6/5/2009  | 46792  | Wayne Anderson             | 289.85   |   | Mileage for personal vehicle     |
| 234 | 6/5/2009  | 46800  | Denise Hume                | 657.07   |   | KAEC Acctg Conf expenses         |
| 235 | 6/5/2009  | 46802  | Visa - 4259                | 581.53   |   | Ky RUS mtg exp                   |
| 236 | 6/9/2009  | 46806  | KAEC                       | 135.00   |   | HR seminar fee                   |
| 237 | 6/9/2009  | 46809  | Shelby Energy Petty Cash   | 43.70    |   | Computer training exp            |
| 238 | 6/9/2009  | 46816  | Henry Co Chamber           | 40.00    | Х | Annual mtg dinner                |
| 239 | 6/9/2009  | 46832  | Visa - 4679                | 1,413.35 |   | CRC training seminar exp         |
| 240 | 6/12/2009 | 46841  | Nationwide Imprinting Corp | 53,00    |   | Annual mtg signs                 |
| 241 | 6/12/2009 | 46842  | NRECA                      | 1,225.00 |   | Acctg & Finance mtg fee          |
| 242 | 6/12/2009 | 46845  | Shelby Energy Petty Cash   | 29.00    |   | Notary renewal                   |
| 243 | 6/12/2009 | 46846  | Executrain of KY           | 195.00   |   | Computer training courses        |
| 244 | 6/12/2009 | 46846  | Executrain of KY           | 195.00   |   | Computer training courses        |
| 245 | 6/12/2009 | 46846  | Executrain of KY           | 195.00   |   | Computer training courses        |
| 246 | 6/12/2009 | 46862  | Graduate School, USDA      | 100.00   |   | RUS training registration (2)    |
| 247 | 6/16/2009 | 46895  | Preston-Osborne Marketing  | 1,037.50 |   | Customer satisfaction survey     |
| 248 | 6/16/2009 | 46896  | Theresa Atha               | 111.10   |   | Mileage for personal vehicle     |
|     |           |        |                            |          |   |                                  |

Exhibit 11
page 1 of 2
Witness: Jim Adkins

## Shelby Energy Cooperative Case No. 2009-00410

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| 7          |             |        | July 31                  | , 2009        |                                    |
|------------|-------------|--------|--------------------------|---------------|------------------------------------|
| 8          |             | Check  |                          |               |                                    |
| 9          | <u>Date</u> | Number | <u>Payee</u>             | <u>Amount</u> | <u>Description</u>                 |
| 10         |             |        |                          |               |                                    |
| 249        | 6/16/2009   | 46901  | Graduate School, USDA    | 50.00         | RUS training registration          |
| 250        | 6/19/2009   | 46905  | American Red Cross       | 164.00        | First aid kits                     |
| 251        | 6/23/2009   | 46927  | Shelby Energy Petty Cash | 1,000.00      | x Annual mtg prizes                |
| 252        | 6/23/2009   | 46933  | Patrick Cox              | 75.00         | Annual mtg entertainment           |
| 253        | 6/26/2009   | 46947  | Charles Corolla          | 100.00        | x Annual mtg nominating committee  |
| 254        | 6/26/2009   | 46948  | Henry Sibley             | 100.00        | x Annual mtg nominating committee  |
| 255        | 6/26/2009   | 46950  | the Garry Polston Family | 1,000.00      | Annual mtg entertainment           |
| 256        | 6/26/2009   | 46951  | Henry Co EMS             | 100.00        | Annual mtg safety                  |
| 257        | 6/26/2009   | 46956  | Larry Bohannon           | 100.00        | x Annual mtg nominating committee  |
| 258        | 6/26/2009   | 46957  | Robbie Ethington         | 100.00        | x Annual mtg nominating committee  |
| 259        | 6/26/2009   | 46958  | Jerry Slocum             | 100.00        | x Annual mtg nominating committee  |
| 260        | 6/26/2009   | 46960  | Steve Watts              | 50.00         | x Annual mtg nominating committee  |
| 261        | 6/26/2009   | 46961  | Barney Barnett           | 100.00        | x Annual mtg nominating committee  |
| 262        | 6/26/2009   | 46962  | V.G. Curry               | 100.00        | x Annual mtg nominating committee  |
| 263        | 6/26/2009   | 46963  | Aaron Snelling           | 50.00         | x Annual mtg nominating committee  |
| 264        | 6/30/2009   | 46964  | KAEC                     | 54.00         | x Legisltative Conf exp            |
| 265        | 6/30/2009   | 46967  | Shelby Energy Petty Cash | 35.07         | Meal at KAEC training              |
| 266        | 6/30/2009   | 46972  | Owen Electric Coop       | 632.90        | Safety mtg exp                     |
| 267        | 6/30/2009   | 46977  | Hilltop Produce          | 73.14         | Employee mtg meal                  |
| 268        | 7/1/2009    | 46986  | Gay Tennill              | 180.95        | Mileage for personal vehicle       |
| 269        | 7/2/2009    | 46990  | KAEC                     | 308.00        | Superintendent conf fee            |
| 270        | 7/2/2009    | 46994  | Walmart                  | 61.82         | Board mtg snacks                   |
| 271        | 7/2/2009    | 46996  | Visa - 136               | 90.09         | Annual mtg supplies                |
| 272        | 7/2/2009    | 46997  | Visa - 136               | 365.96        | Annual mtg setup                   |
| 273        | 7/2/2009    | 46998  | Visa 144                 | 63.03         | Meals during system inspection     |
| 274        | 7/2/2009    | 47002  | Visa - 378               | 538.15        | Eng & Op mtg exp                   |
| 275        | 7/2/2009    | 47005  | Theresa Atha             | 185.04        | Mileage for personal vehicle       |
| 276        | 7/2/2009    | 47006  | Visa - 3989              | 116.18        | x Nominating committee meal        |
| 277        | 7/2/2009    | 47008  | Visa - 4259              | 1,580.85      | Cert. Loss Control Program exp     |
| 278        | 7/7/2009    | 47019  | Wayne Anderson           | 295.90        | Mileage for personal vehicle       |
| 279        | 7/7/2009    | 47027  | Jason Ginn               | 853.05        | Cert. Loss Control Program mileage |
| 280        | 7/7/2009    | 47035  | Candace Warford          | 72.60         | Mileage for personal vehicle       |
| 281        | 7/10/2009   | 47057  | Shelby Energy Petty Cash | 21.54         | Safety mtg snacks                  |
|            | 7/10/2009   | 47075  | Farrah Cox               | 88.00         | Mileage for personal vehicle       |
| 282<br>283 | 7/14/2009   | 47073  | KAEC                     | 3,056.00      | Annual mtg reports                 |
| 284        | 7/14/2009   | 47081  | KAEC                     | 5,168.62      | Ky Living magazine                 |
| 285        | 7/17/2009   | 47121  | Forever Communications   | 300.00        | Annual mtg ad                      |
|            | 7/17/2009   | 47123  | Debbie Martin            | 107.80        | Mileage for personal vehicle       |
| 286        | 7/17/2009   | 47124  | K-95 WKID                | 137.50        | Annual mtg ad                      |
| 287        | 7/17/2009   | 47124  | Denise Hume              | 1,235.52      | NRECA Acctg Conf expenses          |
| 288        | 7/21/2009   | 47140  | KAEC                     | 400.00        | Material Mgr conf                  |
| 289        | 7/21/2009   | 47140  | KAEC                     | 330.00        | Material Basic Skills conf         |
| 290        |             |        | KAEC                     | 450.75        | Underground conf                   |
| 291        | 7/21/2009   | 47140  |                          | 1,125.00      | Region 2 and 3 Mtg registration    |
| 292        | 7/21/2009   | 47143  | NRECA                    | 775.00        | Executive Asst Conf registration   |
| 293        | 7/21/2009   | 47143  | NRECA                    | 284.08        | State of Ky flags                  |
| 294        | 7/21/2009   | 47145  | Oates Flag Co            |               |                                    |
| 295        | 7/24/2009   | 47159  | Henry Co Bd of Ed        | 154.92        | Annual mtg custodian/rent          |
| 296        | 7/24/2009   | 47161  | NRECA                    | 1,495.00      | Loss Control Seminar registration  |

Exhibit 11
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Witness: Jim Adkins

## Shelby Energy Cooperative Case No. 2009-00410

| 7   |              |              | July 31                  | 1, 2009       |                                 |
|-----|--------------|--------------|--------------------------|---------------|---------------------------------|
| 8   |              | Check        |                          |               |                                 |
| 9   | <u>Date</u>  | Number       | <u>Payee</u>             | <b>Amount</b> | <u>Description</u>              |
| 10  |              |              |                          |               |                                 |
| 297 | 7/24/2009    | 47168        | The Sentinel News        | 1,433.79      | Annual mtg ad                   |
| 298 | 7/24/2009    | 47175        | Hilltop Produce          | 234.26        | OSHA training meal (day 1)      |
| 299 | 7/24/2009    | 47175        | Hilltop Produce          | 274.49        | OSHA training meal (day 2)      |
| 300 | 7/24/2009    | 47185        | Webb Photography         | 288.50        | Annual mtg photos               |
| 301 | 7/28/2009    | 47191        | Shelby Energy Petty Cash | 51.00         | x Chamber lunch                 |
| 302 | 7/28/2009    | 47197        | Power Engineer Assoc     | 100.00        | Eng/Operations Mtg registration |
| 303 | 7/28/2009    | 47200        | Hilltop Produce          | 228.96        | Employee safety mtg meal        |
| 304 | 7/31/2009    | 47211        | Executrain of Lexington  | 99.00         | Computer training courses       |
| 305 | 7/31/2009    | 47216        | KAEC                     | 405.00        | Lineman training course         |
| 306 | 7/31/2009    | 47217        | Hilltop Produce          | 279.84        | Board meal                      |
| 307 | 8/4/2009     | 47250        | Wayne Anderson           | 311.85        | Mileage for personal vehicle    |
| 308 | 8/4/2009     | 47252        | Visa - 136               | 24.69         | Utility Mgrs mtg meal           |
| 309 | 8/4/2009     | 47253        | Visa - 136               | 437.86        | Annual mtg supplies             |
| 310 | 8/4/2009     | 47254        | Visa - 136               | 62.61         | Meals w/ IT specialist          |
| 311 | 8/4/2009     | 47255        | Visa 144                 | 985.02        | CFC Financial Forum exp - CEO   |
| 312 | 8/4/2009     | 47259        | Visa - 378               | 410.34        | Eng & Op mtg exp                |
| 313 | 8/4/2009     | 47263        | Gay Tennill              | 53.35         | Mileage for personal vehicle    |
| 314 | 8/4/2009     | 47265        | Theresa Atha             | 50.60         | Mileage for personal vehicle    |
| 315 | 8/4/2009     | 47269        | Visa - 3989              | 278.15        | Employee mtg meal               |
| 316 | 8/4/2009     | 47269        | Visa - 3989              | 132.48        | x Employee picnic               |
| 317 | 8/4/2009     | 47269        | Visa - 3989              | 53.82         | Board meals                     |
| 318 | 8/4/2009     | 47269        | Visa - 3989              | 72.80         | Eng & Op mtg exp                |
| 319 | 8/4/2009     | 47269        | Visa - 3989              | 4,234.11      | NRECA Acctg Conf exp            |
| 320 | 8/4/2009     | 47271        | Visa - 4259              | 1,306.25      | Loss Control Seminar exp        |
| 321 | 8/4/2009     | 47273        | Visa - 4679              | 55.72         | Meals while picking up truck    |
| 322 | 8/11/2009    | 47302        | KAEC                     | 140.23        | Annual mtg posters              |
| 323 | 8/11/2009    | 47302        | KAEC                     | 143.38        | Annual mtg report handouts      |
| 324 | 8/11/2009    | 47302        | KAEC                     | 6,082.39      | Ky Living magazine              |
| 325 | 8/11/2009    | 47311        | TVPPA                    | 379.00        | Human Resource Mgt conf reg     |
| 326 | 8/11/2009    | 47312        | Becky Jennings           | 64.90         | Mileage for personal vehicle    |
| 327 | 8/14/2009    | 47333        | Debbie Martin            | 231.00        | Mileage for personal vehicle    |
| 328 | 8/18/2009    | 47367        | Farrah Cox               | 69.30         | Mileage for personal vehicle    |
| 329 | var          | var          | Nancy Gossom             | 308.33        | Mileage for personal vehicle    |
| 330 | var          | var          | randy Gossani            | 237.95        | less than \$100                 |
| 331 | 1/27/2009    | 45939        | KAEC                     | 37,199.77     | Annual dues                     |
| 332 | 11/1/2008    | 45375        | NRECA                    | 20,330.73     | Annual dues                     |
|     | 11/1/2000    | 45575        | Labor and benefits       | 30,876.96     |                                 |
| 333 |              |              | Eabor and benefits       | 291,222.07    | -                               |
| 334 |              |              |                          |               | =                               |
| 335 | Itama diaali | awad far re  | oto makina nurnoses      | 29,309.02     | v                               |
| 336 | nems disan   | owed for ra  | ate making purposes      | 29,309.02     | _ ^                             |
| 337 | _            | a            |                          |               |                                 |
| 338 | -            |              | eous expenses:           | 16460401      |                                 |
| 339 | 930.20       | Miscellan    | eous                     | 164,684.01    |                                 |
| 340 | 930.21       | Dues         |                          | 126,538.06    |                                 |
| 341 | 930.30       | Director for | ees and expenses         | 89,233.93     | _                               |
| 342 |              |              | m . 1                    | 200 455 00    |                                 |
| 343 |              |              | Total                    | 380,456.00    | =                               |
| 344 |              |              |                          |               |                                 |

Exhibit 12 Page 1 of 1

Witness: Jim Adkins

#### SHELBY ENERGY COOPERATIVE CASE NO. 2009-00410

#### **Rate Case Expenses**

#### Estimated rate case expenses:

| Attorney                         | \$5,000  |
|----------------------------------|----------|
| Consultants                      | 60,000   |
| Advertising                      | 5,000    |
| Supplies and other miscellaneous | 2,000    |
|                                  |          |
| Total                            | 72,000   |
| Number of years                  | 3        |
|                                  |          |
| Amount of Adjustment             | \$24,000 |

In-house labor is not included in the above adjustment because this labor would have been incurred under any circumstances.

This amount is very similar to the amount of rate case expense estimated in other rate applications before this Commission,

The monthly amounts filed for rate case expenses will include labor. However, this amount is not included as a part of the above adjustment.

## Shelby Energy Cooperative CATV Pole Attachments Decebmer 31, 2008

## Additional revenues generated

|   |        | Charges  |          |          | Revenue  |          | ease    |
|---|--------|----------|----------|----------|----------|----------|---------|
| Description   | Number | Existing | Proposed | Existing | Proposed | Amount   | Percent |
| Description   | 110000 |          |          |          |          |          |         |
| 2 party Pole Attachments  | 3,131  | \$1.95   | \$5.42   | \$6,105  | \$16,976 | \$10,870 | 178%    |
| 2 party Anchor Attachments  | 97     | 1.59     | 7.02     | 154      | 681      | \$526    | 341%    |
| 2 party Ground Attachments  | 2,033  | 0.44     | 0.24     | 895      | 494      | (\$400)  | -45%    |
| 3 party Pole Attachments  | 1,395  | 1.68     | 4.60     | 2,344    | 6,421    | \$4,078  | 174%    |
| •   | 549    | 1.06     | 4.63     | 582      | 2,542    | \$1,960  | 337%    |
| <ul><li>3 party Anchor Attachments</li><li>3 party Ground Attachments</li></ul> | 613    | 0.27     | 0.15     | 166      | 92       | (\$73)   | -44%    |
| 3 party Ground Attachments  | 015    |          |          |          |          |          |         |
| Total   |        |          |          | \$10,245 | \$27,207 | \$16,961 | 166%    |

## Shelby Energy Cooperative CATV Pole Attachments Decebmer 31, 2008

## A. 1. Two-Party Pole Cost:

| <u>Size</u>                  | Quantity         | <u>Amount</u>              | Weighted Average Cost |
|------------------------------|------------------|----------------------------|-----------------------|
| 35' poles<br>40' - 45' poles | 14,924<br>19,059 | \$2,586,655<br>\$8,555,095 |                       |
|                              |                  | \$11,141,750               | <u>\$327.86</u>       |

## 2. Three-Party Pole Cost:

| Size                | Quantity      | Amount      | W       | Veighted Aver   | age Cost |        |
|---------------------|---------------|-------------|---------|-----------------|----------|--------|
| 40' - 45' poles     | 19,059        | \$8,555,095 |         | <u>\$448.87</u> |          |        |
| 3. Average cost of  | anchors       |             |         | <u>\$88.29</u>  |          |        |
| B. 1. Pole Charge:  |               |             |         |                 |          |        |
| a. Two party =      | \$327.86      | 85%         | 15.89%  | 0.1224          | \$5.42   |        |
| b. Three party =    | \$448.87      | 85%         | 15.89%  | 0.0759          | \$4.60   |        |
| 2. Pole Charge, wit | th ground att | achments:   |         |                 |          |        |
| a. Two party =      | \$327.86      | 85%         | \$12.50 | 15.89%          | 0.1224   | \$0.24 |
| b. Three party =    | \$448.87      | 85%         | \$12.50 | 15.89%          | 0.0759   | \$0.15 |
| 3. Anchor Charge:   |               |             |         |                 |          |        |
| a. Two party =      | \$88.29       |             | 15.89%  | 0.50            | \$7.02   |        |
| b. Three party =    | \$88.29       |             | 15.89%  | 0.33            | \$4.63   |        |

<sup>(1)</sup> Remove miscellaneous allocations to pole accounts when using Record Units in the continuing property record (CPR's) system, per PSC Administrative Case No. 251

## Shelby Energy Cooperative CATV Pole Attachments Decebmer 31, 2008

Fixed charges on investment from PSC Annual Report at December 31, 2007.

| m · 1 D' · 'l · ' E · · · · ·                |              | 2,765,603  |        |
|--|--------------|------------|--------|
| Total Distribution Expense                   |              | 2,703,003  |        |
| Reference Page 14                            |              | 710 500    |        |
| Customer Accounts Expense                    |              | 718,598    |        |
| Reference Page 15                            |              | 140 104    |        |
| Customer Service and Informational Expense   |              | 140,184    |        |
| Reference Page 15                            |              |            |        |
| Administrative and General                   |              | 860,421    |        |
| Reference Page 15                            |              |            |        |
| Depreciation Expense                         |              | 1,793,305  |        |
| Reference Page 13                            |              |            |        |
| Taxes Other than Income Taxes                |              | 34,608     |        |
| Reference Page 13                            | _            |            |        |
| S  |              |            |        |
| Sub total                                    |              | 6,312,719  |        |
|  |              |            |        |
| Divided by Total Utility Plant               |              | 62,537,689 | 10.09% |
| Line 2, Page 1                               |              |            |        |
| Line 2, 1 age 1                              |              |            |        |
| Cost of Money                                |              |            |        |
| Rate of Return on Investment allowed in the  | last General |            |        |
| Rate Request, Case No 8361                   |              | 6.83%      |        |
| Rate Request, Case 140 0501                  |              |            |        |
| Net plant ratio adjustment:                  |              |            |        |
| Distribution plant                           | 59,185,890   |            |        |
|  | 8,921,038    | 15.1%      |        |
| Accumulated depreciation                     | 8,921,038    | 13.170     |        |
| D. C. (                                      |              |            | 5.80%  |
| Rate of return (times 1 minus reserve ratio) |              | -          | 3.0070 |
| Appual correing charges                      |              |            | 15.89% |
| Annual carrying charges                      |              | =          |        |

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Exhibit 14

page 1 of 6

Witness: Jim Adkins

## Shelby Energy Cooperative PSC Case No. 2009-00314 Non Recurring Charges July 31, 2009

| Direct Wage Expense: | <u>Hours</u> | Percent |
|----------------------|--------------|---------|
| Total hours          | 2,080        | 100.00% |
| Average vacation     | 126          | 6.06%   |
| Holidays             | 72           | 3.46%   |
| Sick leave days      | 96           | 4.62%   |
| Hours worked         | 1,786        | 85.87%  |

For every \$100.00 of labor paid, \$85.87 is paid for work and \$14.13 is paid for non-working hours. The allocation for Office and Service employees is as follows:

|  | Employee<br><u>Number</u> | Hourly<br><u>Rate</u> | Percent | Non-Working<br>Hourly<br><u>Amount</u> |
|--|---------------------------|-----------------------|---------|--|
| Accounting   | 801                       | \$26.01               | 14.13%  | \$3.68                                 |
| Office clerical - CSR                              | 2314                      | \$17.47               | 14.13%  | \$2.47                                 |
| Field Service Representative                       | 503                       | \$27.66               | 14.13%  | \$3.91                                 |
| Lineman  | 2309                      | \$30.62               | 14.13%  | \$4.33                                 |
|  |                           |                       |         |  |
|  |                           |                       | Total   | Percent                                |
| Other Costs Based on Labor:                        |                           |                       | Charges | of Labor                               |
| Total labor  |                           | \$2,185,841           |         |  |
| Retirement and 401(k)                              | ,                         |                       | 276,077 | 12.63%                                 |
| Payroll taxes                                      |                           |                       | 169,736 | 7.77%                                  |
| Worker's compensation insurance                    |                           |                       | 59,570  | 2.73%                                  |
| Total  |                           |                       |         | 23.12%                                 |
|  |                           |                       |         |  |
| Other Direct Costs:                                |                           |                       |         | \$327,090                              |
| Health insurance premiums  Postretirement benefits |                           |                       |         | 169,358                                |
| Postretirement benefits                            |                           |                       |         | 496,448                                |
| Number of employees                                |                           |                       |         | 32                                     |
| Annual cost per employee                           |                           |                       |         | \$15,514                               |
| Regular hours worked                               |                           |                       |         | 1,786                                  |
| Per hour amount                                    |                           |                       |         | \$8.69                                 |
| i or mour amount                                   |                           |                       |         |  |

Exhibit \( \frac{\partial}{\partial} \)
page 2 of \( \Gamma \)
Witness: Jim Adkins

## Shelby Energy Cooperative PSC Case No. 2009-00314 Non Recurring Charges July 31, 2009

| Return Check Charge:  Number of Minutes                 |           | <u>35</u> |                | Estimated<br><u>Hours</u> | Per<br><u>Hour</u> | Amount         |  |  |  |  |
|---|-----------|-----------|----------------|---------------------------|--------------------|----------------|--|--|--|--|
| Number of Minutes                                       |           | <u> </u>  |                |                           |                    |                |  |  |  |  |
| Direct labor charge                                     |           |           |                | 58.3%                     | \$17.47            | \$10.19        |  |  |  |  |
| Direct wage expense                                     |           |           |                | 58.3%                     | \$2.47             | 1.44           |  |  |  |  |
| Other cost based on labor                               |           |           | \$17.47        | 58.3%                     | 23.12%             | 2.36           |  |  |  |  |
| Other direct cost per hour                              |           |           |                | 58.3%                     | \$8.69             | 5.07           |  |  |  |  |
| Bank charge   |           |           |                |                           | _                  | 7.50           |  |  |  |  |
|   |           |           |                |                           |                    |                |  |  |  |  |
| Total charges   |           |           |                |                           | =                  | \$26.55        |  |  |  |  |
| Proposed charge   |           |           |                |                           | :                  | \$25.00        |  |  |  |  |
| Meter Reading, Collection, Disconnect-Reconnect Charge: |           |           |                |                           |                    |                |  |  |  |  |
|   |           | Per       |                | Reconnect/                |                    | Meter          |  |  |  |  |
|   |           | Hour      | Collection     | Disconnect                | <u>Overtime</u>    | <u>Test</u>    |  |  |  |  |
| Serviceman:   |           |           |                |                           |                    |                |  |  |  |  |
| Number of minutes                                       |           |           | <u>25</u>      | <u>30</u>                 | <u>60</u>          | <u>20</u>      |  |  |  |  |
|   |           |           |                |                           |                    |                |  |  |  |  |
| Direct labor charge                                     |           | \$27.66   | \$11.53        |                           |                    | 0.4.0.0.1      |  |  |  |  |
| Direct labor charge                                     |           | \$30.62   |                | \$15.31                   | \$45.93            | \$10.21        |  |  |  |  |
| Direct wage expense                                     |           | \$3.91    | \$1.63         | \$1.95                    |                    | \$1.30         |  |  |  |  |
| Other cost based on labor                               |           | 23.12%    | \$2.66         | \$3.54                    | \$10.62            | \$2.36         |  |  |  |  |
| Other direct cost                                       |           | \$8.69    | \$3.62         | \$4.34                    |                    | \$2.90         |  |  |  |  |
|   |           | #A 40#    | 04.05          | Φ <b>4.95</b>             |                    | ΦA 05          |  |  |  |  |
| Mileage   | <u>10</u> | \$0.485   | \$4.85         | \$4.85                    | \$9.70             | \$4.85         |  |  |  |  |
| Mileage   | <u>20</u> | \$0.485   |                |                           | \$9.70             |                |  |  |  |  |
| Occ. Clarke   |           |           |                |                           |                    |                |  |  |  |  |
| Office Clerical:  |           |           | <u>15</u>      | <u>15</u>                 | <u>20</u>          | <u>20</u>      |  |  |  |  |
| Number of minutes                                       |           |           |                |                           |                    |                |  |  |  |  |
| Direct labor charge                                     |           | \$17.47   | \$4.37         | \$4.37                    | \$5.82             | \$5.82         |  |  |  |  |
| Direct wage expense                                     |           | \$2.47    | \$0.62         | \$0.62                    | \$0.82             | \$0.82         |  |  |  |  |
| Other cost based on labor                               |           | 23.12%    | \$1.01         | \$1.01                    | \$1.35             | \$1.35         |  |  |  |  |
| Other direct cost                                       |           | \$8.69    | \$2.17         | \$2.17                    | \$2.90             | \$2.90         |  |  |  |  |
|   |           |           | m20.45         | \$20.1 <i>C</i>           | Φ77 1 <i>A</i>     | ¢22.50         |  |  |  |  |
| Total   |           |           | \$32.45        | \$38.16                   | \$77.14            | \$32.50        |  |  |  |  |
| Proposed Charge   |           |           | <u>\$30.00</u> | <u>\$35.00</u>            | <u>\$75.00</u>     | <u>\$32.50</u> |  |  |  |  |

Exhibit 14 page 3 of 6

Witness: Jim Adkins

Shelby Energy Cooperative PSC Case No. 2009-00314 Non Recurring Charges July 31, 2009

## Additional Revenues Generated:

|                          |        | Cha      | irges    | Reve     | enue     | Increase |         |  |
|--------------------------|--------|----------|----------|----------|----------|----------|---------|--|
|                          | Number | Existing | Proposed | Existing | Proposed | Amount   | Percent |  |
|                          |        |          |          |          |          |          |         |  |
| Return check Collection  | 499    | \$10.00  | \$25.00  | \$4,990  | \$12,475 | \$7,485  | 150%    |  |
|                          | 387    | \$25.00  | \$30.00  | 9,675    | 11,610   | 1,935    | 20%     |  |
| Reconnect for disconnect | 827    | \$25.00  | \$35.00  | 20,675   | 28,945   | 8,270    | 40%     |  |
| Meter Test               | 1      | \$25.00  | \$32.50  | 25       | 33       | 8        | 30%     |  |
| Overtime                 | 89     | \$75.00  | \$75.00  | 6,675    | 6,675    | 0        | 0%      |  |
| Total                    |        |          |          | \$42,040 | \$59,738 | \$17,698 | 42%     |  |

#### Shelby Energy Cooperative Case No. 2009-00410 Non-Recurring Charges

#### Return Check

When a check is not honored by the bank and is returned, the check is stamped "VOID". The Customer Service Representative ("CSR") reviews the return check, verifying the account number, name, accounts paid by the check, number of return checks for that customer, reason the check was returned, (i.e. NSF, Stop Payment, Account closed), whether it was collected by a Field Service Representative ("FSR"). The CSR will also ensure that there is no prior payment or billing arrangement or security deposit involved. The return check is then keyed to the account, as is the return check fee. The batch is balanced and the cash sheet is pulled. Totals are added to the daily balance sheet/branch office re-cap sheets. Then the check is keyed at a branch office, the amount is transferred to a Daily Balance Sheet. A letter is typed for mailing to the consumer notifying them of the return check and /or letter is typed notifying the consumer on a "NO CHECK" basis. The consumers' account is noted NC (if applicable) and if the consumer is on bank draft program, their account is taken off auto-payment and applicable notes are made to the account.

The letter is mailed to the consumer. A service order is issued to collect if the return check was collected by an FSR during a collection trip, or for an arrangement, or for security deposit, and the account is added to the call out list for the System Operators.

The account is monitored by the CSR to ensure that it is paid within ten days. If not paid, a service order is issued. Possible arrangements may be made by the CSR to extend time on the return check. If the return check is paid, the payment is processed by the CSR and the collection system is updated to clear out the field notification and the return check is pulled from the file and marked "PAID". The accounting department reconciles the return checks with the bank statement on a monthly basis and runs applicable reports.

**Note** Discussions with the departments involved indicate that it takes a minimum of 40 minutes to process and account for each return check.

#### Shelby Energy Cooperative Case No. 2009-00410 Non-Recurring Charges

#### **Collection Charge**

The CSR produces disconnect tickets and sends them to the district offices, where they are printed. The customer names are entered on the call out list for the System Operators, and a courtesy call is made to attempt to collect the account before being sent to the FSR. If payment is not received, or a call received to make arrangements, the ticket is released to the FSR.

The FSR arranges his route and attempts to collect a payment. If unable to collect, he disconnects the service. Tickets are returned to the CSR who key any payments collected plus key the service charge for the fee.

**Note** Per discussions with the parties involved, it takes the FSR approximately 30 minutes for each trip, including time the prepare the completed paperwork. The CSR spends approximately 15 to 20 minutes to prepare their paperwork and key payments and charges into the system.

#### **Reconnect for Disconnect**

The CSR produces a reconnect for disconnect ticket and sends them to the district office, where they are printed. The customer names are entered on a call list for the System Operators, and a call is made to ensure the customer is at the location prior to reconnection the service. The FSR arranges his route for reconnects. Before a service is reconnected, the FSR will visually inspect from the transformer to the meter to ensure that the service has not been tampered with, and that service can safely be reconnected. Tickets for reconnected services are returned to the CSR who keys the completed service order into the system to charge for the fee.

**Note** Per discussions with the parties involved, it takes the FSR approximately 30 minutes for each trip, including time the prepare the completed paperwork. The CSR spends approximately 15 to 20 minutes to prepare their paperwork and key payments and charges into the system.

#### Shelby Energy Cooperative Case No. 2009-00410 Non-Recurring Charges

#### **Meter Tests**

Meter tests originate with the CSR, usually as a result of a high bill complaint. The CSR prepares a Meter Change Service order and receives and processes the payment for the request. After payment for the request is received, the CSR fills out the Meter Change Service Order and forwards this to the FSR.

The meter is re-read by the FSR and if indicated, the meter is pulled. The meter is brought to the meter shop where the meter technician contacts the consumer to see if they want to witness the test. Three separate tests are conducted. If the consumer is not present for the test, the meter technician contacts the consumer to provide verbal results. A written report is prepared documenting the results of the test, which is returned to the CSR to mail to the consumer.

**Note** Per discussions with the meter department, it requires approximately ninety (90) minutes to test the meter and record the results for mailing to the consumer. If the consumer is present, it usually takes longer as the consumer asks more questions during the process. It takes the CSR approximately twenty (20) minutes of clerical time.

#### **Overtime**

This process includes the same as for regular time. The difference is that jobs can not be coordinated with other jobs, either by route or by service location, since these are isolated occurrences. Since after hour trips are isolated, that is the reason for the mileage to be doubled from reconnects during regular hours.

#### Mileage

Per discussion with the VP Engineering/Operations and service men, it is estimated that each trip is approximately 10-15 miles. Therefore, 10 miles per trip was used.

#### Cost per Mile

The transportation system used by Shelby Energy does not allow for the calculations of a cost per mile for its vehicles. The costs are allocated on a per hour of use basis. Since most vehicles used on service calls, collections, and reconnects are service trucks, and not large bucket trucks, Shelby Energy has chosen to use the Internal Revenue Service cost per mile of \$0.485 (forty-eight and one-half cent).

Exhibit 15
Page 1 of 1
Witness: Jim Adkins

# SHELBY ENERGY COOPERATIVE CASE NO. 2009-00410

#### **G&T** Capital Credits

East Kentucky Power Cooperative allocated capital credits during the test year of this rate application. Shelby has removed these revenues from it Statement of Operations which is consistent with the application of other electric cooperatives and the rate-making concepts of this Commission.

Account 423.00 – G&T Capital Credits:

\$350,180

Exhbit / / / page 1 of 2
Witness: Jim Adkins

# Shelby Energy Cooperative, Inc. Case No. 2009-00410 Purchased Power July 31, 2009

|                                    | Case No.                                | Case No.   | Case No.   |
|------------------------------------|---|------------|------------|
| Billing Rates                      | 2006-00510                              | 2008-00409 | 2008-00519 |
| KW-Sch B Contract                  | 6.22                                    | 6.81       | 6.81       |
| Excess contract                    | 8.65                                    | 9.47       | 9,47       |
| KW-Sch C                           | 6.22                                    | 6.81       | 6.81       |
| KW-Sch E2                          | 5.22                                    | 5.71       | 5.71       |
| KWH-Sch B/C                        | \$0.033455                              | \$0.036622 | \$0.046772 |
| KWH-Sch E2 On-Peak                 | \$0.042470                              | \$0.046491 | \$0.056641 |
| KWH-Sch E2 Off-Peak                | \$0,034904                              | \$0.038209 | \$0.048359 |
| KVA 3000-7499                      | \$2,373                                 | \$2,598    | \$2,598    |
| KVA 7500-14999                     | \$2,855                                 |            | \$3,125    |
| KVA 15000-14999<br>KVA 15000-99999 | \$4.605                                 |            | \$5,041    |
|                                    | \$125                                   |            | \$137      |
| Metering Point<br>Green Power      | \$0,023750                              |            | \$0.023750 |
| Gleen Fower                        | • |            |            |

| Ciccii i siisi      | Billing Dema       | and                 |                    |                                       |                    | KWH I              |                    |                        | _              |                   | Substation (        | Charge           |                 |                  | Total from             | Fuel               | Environmental      | l                      |
|---------------------|--------------------|---------------------|--------------------|---------------------------------------|--------------------|--------------------|--------------------|------------------------|----------------|-------------------|---------------------|------------------|-----------------|------------------|------------------------|--------------------|--------------------|------------------------|
|                     | Sched              |                     |                    |                                       | Sch B              | Sched              | ule E<br>Off-Peak  | Total                  | Green<br>Power | Metering<br>Point | 3000                | 7500             | 15000           | Total            | Base Rates             | <u>Adjustment</u>  | Surcharge          | Total                  |
|                     | Contract           | Excess              | Schedule E         | <u>Total</u>                          | <u>Kwh</u>         | On-Peak            | <u>Oll-Peak</u>    | <u>Kwh</u>             | 1 01101        | Com               |                     |                  |                 |                  | 2 222 222              | 220 525            | 147,268            | 2.396.106              |
| August              | 156,078            | 3,841               | 291,161            | 451,079                               | 515,725            | 669,239            | 337,094            | 1,522,058              | 242            | 1,500             | 2,373               | 22,840           | 9,210<br>9,210  | 34,423<br>34,423 | 2,009,303<br>1,772,551 | 239,535<br>357,266 | 142,042            | 2,271,859              |
| August<br>September | 155,346            | 1,306               | 275,303            | 431,955                               | 470,148            | 539,906            | 294,344            | 1,304,397              | 276            | 1,500             | 2,373<br>2,373      | 22,840<br>22,840 | 9,210           | 34,423           | 1,601,155              | 474,701            | 118,484            | 2,194,340              |
| October             | 139,162            | 0                   | 231,799            | 370,961                               | 452,020            | 378,431            | 363,545            | 1,193,996<br>1,371,311 | 276<br>276     | 1,500<br>1,500    | 2,373               | 22,840           | 9,210           | 34,423           | 1,856,208              | 449,856            | 179,340            | 2,485,404              |
| November            | 135,332            | 0                   | 313,367            | 448,699                               | 402,044            | 495,369<br>651,359 | 473,898<br>641,781 | 1,662,601              | 276            | 1,500             | 2,373               | 22,840           | 9,210           | 34,423           | 2,246,130              | 353,439            | 199,845            | 2,799,414              |
| December            | 118,481            | 3,477<br>0          | 425,373<br>467,811 | 547,330<br>600,675                    | 369,461<br>425,936 | 680,205            | 690,843            | 1,796,984              | 273            | 1,500             | 2,373               | 22,840           | 9,210           | 34,423           | 2,433,855              | 453,484            | 230,637<br>218,933 | 3,117,976<br>2,615,214 |
| January             | 132,863<br>132,083 | 329                 | 422,919            | 555,331                               | 397,252            | 529,457            | 526,072            | 1,452,782              | 273            | 1,500             | 2,373               | 22,840           | 9,210           | 34,423<br>34,423 | 2,044,309<br>1,884,330 | 351,972<br>288,275 |                    | 2,368,239              |
| February<br>March   | 134,179            | 0                   | 374,989            | 509,168                               | 443,269            | 451,105            | 444,592            | 1,338,966              | 273            | 1,500<br>1,644    | 2,373<br>2,598      | 22,840<br>25,000 | 9,210<br>10,082 | 37,680           | 1,722,457              | 152,517            | 172,454            | 2,047,428              |
| April               | 150,812            | 360                 | 259,291            | 410,463                               | 448,256            | 416,354            | 407,786<br>298,667 | 1,272,397<br>1,292,079 | 273<br>283     | 1,644             | 2,598               | 25,000           | 10,082          | 37,680           | 1,746,242              | 63,581             | 177,311            | 1,987,134              |
| May                 | 172,146            | 123                 | 242,287            | 414,556<br>483,245                    | 493,503<br>519,876 | 499,909<br>669,551 | 347,239            | 1,536,667              | 283            | 1,644             | 2,598               | 25,000           | 10,082          | 37,680           | 2,059,518              | (5,646)            |                    | 2,247,089<br>2,240,244 |
| June                | 170,709<br>167,745 | 170<br>284          | 312,366<br>279,288 | 447,317                               | 523,536            | 633,853            | 336,398            | 1,493,787              | 283            | 1,644             | 2,598               | 25,000           | 10,082          | 37,680           | 1,980,711              | 57,994             | 201,539            | 2,240,244              |
| July                |                    |                     |                    |                                       |                    | 6,614,740          | 5,162,261          | 17,238,025             | 3,285          | 18,576            | 29,376              | 282,720          | 114,008         | 426,104          | 23,356,769             | 3,236,974          | 2.176.704          | 28,770,447             |
| Total               | <u>1,764,935</u>   | 9,890               | 3.895.953          | 5,670,779                             | 5.461.024          | 0.014.740          | <u>5.102.201</u>   | 11.200.020             | 24             |                   | Marie Valence and I |                  |                 |                  |                        |                    |                    |                        |
|                     |                    |                     |                    |                                       |                    |                    |                    |                        |                |                   |                     |                  |                 |                  |                        |                    |                    |                        |
| Normalized in El    |                    | 008-00519<br>10,739 | 4,159,044          | 6.033,394                             | 7.448,668          | 8,565.849          | 6,985,649          | 23,000,167             | 3,285          | 19,728            | 31,176              | 300,000          | 120,984         | <u>452,160</u>   | 29,508,733             |                    |                    |                        |
|                     | <u>1,863,611</u>   | 10,109              |                    | <del>and the Second State State</del> |                    |                    |                    |                        |                |                   | Normalized          | i Adjustmen      | t               |                  | 6,151,964              | ı                  |                    |                        |

Exhibit 14 page 2 f X Witness: Jim Adkins

# Shelby Energy Cooperative, Inc. Case No. 2009-00410

Purchased Power Test Year Billing Determinants July 31, 2009

|           | Billing Demand |        |            | KWH Billing      |             |             |             |              |          |             |                   |             |
|-----------|----------------|--------|------------|------------------|-------------|-------------|-------------|--------------|----------|-------------|-------------------|-------------|
|           | Schedu         | ule B  |            | Sch B Schedule E |             |             | Total       | Green        | Metering | Subs        | Substation Charge |             |
|           | Contract       | Excess | Schedule E | Kwh              | On-Peak     | Off-Peak    | <u>Kwh</u>  | <u>Power</u> | Point    | <u>2373</u> | <u>2855</u>       | <u>4605</u> |
| August    | 24,935         | 444    | 55,778     | 15,428,456       | 15,757,933  | 9,657,735   | 40,844,124  | 10,200       | 12       | 1           | 8                 | 2           |
| September | 24,274         | 151    | 52,740     | 14,053,671       | 12,712,642  | 8,432,959   | 35,199,272  | 11,600       | 12       | 1           | 8                 | 2           |
| October   | 22,354         | 0      | 44,406     | 13,544,247       | 8,910,538   | 10,415,580  | 32,870,365  | 11,600       | 12       | 1           | 8                 | 2           |
| November  | 21,804         | 0      | 60,032     | 12,088,202       | 11,663,983  | 13,577,172  | 37,329,357  | 11,600       | 12       | 1           | 8                 | 2           |
| December  | 19,375         | 402    | 81,489     | 11,114,648       | 15,336,927  | 18,387,047  | 44,838,622  | 11,600       | 12       | 1           | 8                 | 2           |
| January   | 21,429         | 0      | 89,619     | 12,859,341       | 16,016,130  | 19,792,661  | 48,668,132  | 11,500       | 12       | 1           | 8                 | 2           |
| February  | 21,323         | 38     | 81,019     | 11,977,403       | 12,466,618  | 15,071,979  | 39,516,000  | 11,500       | 12       | 1           | 8                 | 2           |
| March     | 21,499         | 0      | 71,837     | 13,306,937       | 10,621,743  | 12,737,561  | 36,666,241  | 11,500       | 12       | 1           | 8                 | 2           |
| April     | 22,127         | 38     | 45,410     | 12,482,689       | 8,955,588   | 10,672,522  | 32,110,799  | 11,500       | 12       | 1           | 8                 | 2           |
| Mav       | 24,838         | 13     | 42,432     | 13,719,337       | 10,752,820  | 7,816,678   | 32,288,835  | 11,900       | 12       | 1           | 8                 | 2           |
| June      | 25,039         | 18     | 54,705     | 14,310,633       | 14,401,742  | 9,087,898   | 37,800,273  | 11,900       | 12       | 1           | 8                 | 2           |
| July      | 24,661         | 30     | 48,912     | 14,369,295       | 13,633,881  | 8,804,166   | 36,807,342  | 11,900       | 12       | 1           | 8                 | 2           |
| Totai     | 273,658        | 1,134  | 728,379    | 159,254,859      | 151,230,545 | 144,453,958 | 454,939,362 | 138,300      | 144      | 12          | 96                | 24          |

Exhibit 17

Page 1 of 1 Witness: Jim Adkins

# SHELBY ENERGY COOPERATIVE CASE NO. 2009-00410

## Normalized Revenue

| Normalized Base Rates for Test Year:     | \$36,594,161 |
|--|--------------|
| Revenue for Base Rates for the Test Year | 30,550,363   |
| Normalized Revenue Adjustments           | \$6,043,858  |

Exhibit 18 page 1 of 1 Witness: Jim Adkins

# Shelby Energy Cooperative, Inc. Case No. 2009-00410 End of Test Year Customer Adjustment

| 7        |                             |                  |                 |                 |   |                   |                   |
|----------|-----------------------------|------------------|-----------------|-----------------|---|-------------------|-------------------|
| 8        |                             | Rate 1           | Rate 2          | Rate 3          | Rate 10                                 | Sch B1            | Sche B2           |
| 9        |                             | General          | Large           | Outdoor         | Optional                                | Large             | Large             |
| 10       |                             | <u>Service</u>   | Power           | <u>Lighting</u> | <u>Rate</u>                             | <u>Industrial</u> | <u>Industrial</u> |
| 11       |                             |                  |                 |                 |   |                   |                   |
| 12       | July                        | 8,445            | 62              | 4,102           | 6,781                                   | 12                | 1                 |
| 13       | August                      | 8,440            | 62              | 4,104           | 6,783                                   | 12                | 1                 |
| 14       | September                   | 8,453            | 62              | 4,115           | 6,778                                   | 12                | 1                 |
| 15       | October                     | 8,473            | 63              | 4,104           | 6,751                                   | 12                | 1                 |
| 16       | November                    | 8,471            | 63              | 4,114           | 6,741                                   | 12                | 1                 |
| 17       | December                    | 8,470            | 61              | 4,122           | 6,737                                   | 12                | 1                 |
| 18       | January                     | 8,429            | 61              | 4,112           | 6,768                                   | 12                | 1                 |
| 19       | February                    | 8,413            | 61              | 4,123           | 6,803                                   | 12                | 1                 |
| 20       | March                       | 8,401            | 64              | 4,124           | 6,814                                   | 12                | 1                 |
| 21       | April                       | 8,405            | 62              | 4,130           | 6,804                                   | 12                | 1                 |
| 22       | May                         | 8,464            | 61              | 4,134           | 6,804                                   | 12                | 1                 |
| 23       | June                        | 8,496            | 61              | 4,144           | 6,796                                   | 12                | 1                 |
| 24       | July                        | 8,511            | 59              | 4,134           | 6,772                                   | 12                | 1                 |
| 25       | A.,                         | 0.450            | 60              | 4 100           | 6 770                                   | 10                | 4                 |
| 26       | Average                     | 8,452            | 62              | 4,120           | 6,779                                   | 12                | 1                 |
| 27       | l======                     | 50               | (2)             | 1.4             | (7)                                     | 0                 | 0                 |
| 28       | Increase                    | <u>59</u>        | <u>(3)</u>      | <u>14</u>       | (7)                                     | <u>Q</u>          | <u>0</u>          |
| 29       | Test year base revenue      | 8,751,694        | 2,682,522       | 376,795         | 10,054,585                              | 6,745,999         | 1,911,700         |
| 30<br>31 | kwh useage                  | 104,466,460      | 37,492,120      | 2,305,054       |   | 118,062,866       | 36,694,268        |
| 32       | kwii useage                 | 104,400,400      | 31,432,120      | 2,303,004       | 100,070,000                             | 110,002,000       | 30,034,200        |
| 33       | Average per kwh             | 0.08378          | 0.07155         | 0.16346         | 0.07230                                 | 0.05714           | 0.05210           |
| 34       | Average per kwii            | 0.00070          | 0.07 100        | 0.10040         | 0.01230                                 | 0.001 14          | 0.03210           |
| 35       | Total billings              | 101,426          | 740             | 49,460          | 81,351                                  | 144               | 12                |
| 36       | Total Similgo               | .01,120          | ,               | 10,100          | 01,001                                  | • • • •           | 12.               |
| 37       | Average monthly kwh use     | 1,030            | 50,665          | 47              | 1,710                                   | 819,881           | 3,057,856         |
| 38       | ,,,                         | ,,,,,,,          | ,               |                 | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, |                   | -,,               |
| 39       | Increase in consumers, time | es average use.  |                 |                 |   |                   |                   |
| 40       | times average rate, times   | _                |                 |                 |   |                   |                   |
| 41       | equals additional revenue   |                  |                 |                 |   |                   |                   |
| 42       | ·                           |                  |                 |                 |   |                   |                   |
| 43       | Increase in revenues        | 61,091           | (130,501)       | 1,280           | (10,382)                                | 0                 | 0                 |
| 44       |                             |                  | •               |                 |   |                   |                   |
| 45       | Increase in consumers, time | es average use,  | times average   | cost per        |   |                   |                   |
| 46       | kwh purchased, times 12 m   | onths, equals ac | lditional power | cost            |   |                   |                   |
| 47       | times average cost per kv   | wh purchased,    |                 |                 |   |                   |                   |
| 48       |                             |                  |                 |                 |   |                   |                   |
| 49       | Increase in power cost      | 37,439           | (93,642)        | 402             | (7,373)                                 | 0                 | 0                 |
| 50       |                             |                  |                 |                 |   |                   |                   |
| 51       | Net increase                | 23,652           | (36,859)        | 878             | (3,009)                                 | 0                 | 0                 |
| 52       |                             | -                |                 |                 |   |                   |                   |
| 53       | Adjustment                  | (15,338)         |                 |                 |   |                   |                   |
| 54       |                             |                  |                 |                 |   |                   |                   |
| 55       |                             |                  |                 |                 |   |                   |                   |
|          | D 4                         |                  |                 | 22 256 760      |   |                   |                   |

23,356,769

454,939,362

0.05134

56

Base power cost

Cost per kwh purchased

Kwh purchased

2

3

4

5

6

2007 KENTUCKY ELECTRIC COOPERATIVES AVERAGE EXPENSE PER CONSUMER STATISTICAL COMPARISONS

|                     |             |             |             |             |             | % CHANGE    |
|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| COOPERATIVE         | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | FROM 2003   |
| BIG SANDY           | \$286       | \$250       | \$282       | \$277       | \$257       | 11.3 %      |
| BLUE GRASS ENERGY   | 272         | 248         | 244         | 249         | 254         | 7.1         |
| CLARK ENERGY COOP   | 240         | 237         | 241         | 248         | 269         | -10.8       |
| CUMBERLAND VALLEY   | 259         | 264         | 240         | 205         | 201         | 28.9        |
| FARMERS             | 259         | 223         | 238         | 250         | 243         | 6.6         |
| FLEMING-MASON       | 280         | 294         | · 298       | 263         | 260         | 7.7         |
| GRAYSON             | 350         | 307         | 309         | 318         | 304         | 15.1        |
| INTER-COUNTY        | 280         | 280         | 272         | 249         | 253         | 10.7        |
| JACKSON ENERGY      | 301         | 300         | 269         | 275         | 254         | 18.5        |
| LICKING VALLEY      | 260         | 250         | 252         | 236         | 223         | 16.6        |
| NOLIN               | 342         | 327         | 306         | 351         | 337         | 1.5         |
| OWEN                | 250         | 267         | 237         | 253         | 246         | 1.6         |
| SALT RIVER ELECTRIC | 196         | 187         | 191         | 215         | 201         | -2.5        |
| SHELBY ENERGY       | 258         | 280         | 276         | 297         | 280         | -7.9        |
| SOUTH KENTUCKY      | 262         | 251         | 235         | 231         | 242         | 8.3         |
| TAYLOR COUNTY       | <u>203</u>  | <u>212</u>  | <u>195</u>  | <u>192</u>  | <u>191</u>  | <u>6.3</u>  |
| AVERAGE EKPC        | \$269       | \$262       | \$255       | \$256       | \$250       | 7.6 %       |
| JACKSON PURCHASE    | \$303       | \$300       | \$269       | \$239       | \$238       | 27.3 %      |
| KENERGY             | 333         | 354         | 347         | 311         | 274         | 21.5        |
| MEADE COUNTY        | <u>251</u>  | <u>250</u>  | <u>247</u>  | <u>245</u>  | <u>224</u>  | <u>12.1</u> |
| AVERAGE BIG RIVERS  | \$295       | \$301       | \$288       | \$265       | \$245       | 20.4 %      |
| HICKMAN-FULTON      | \$433       | \$460       | \$411       | 392         | \$369       | 17.3 %      |
| PENNYRILE           | 254         | 235         | 226         | 236         | 234         | 8.5         |
| TRI-COUNTY          | 244         | 240         | 238         | 239         | 221         | 10.4        |
| WARREN              | 310         | 302         | 294         | 289         | 263         | 17.9        |
| WEST KENTUCKY       | <u>331</u>  | <u>313</u>  | <u>329</u>  | <u>288</u>  | <u>284</u>  | <u>16.5</u> |
| AVERAGE TVA         | \$314       | \$309       | \$300       | \$289       | \$274       | 14.6 %      |
| OVERALL AVERAGE     | \$281       | \$276       | \$270       | \$264       | \$255       | 10.2 %      |

2007 KENTUCKY ELECTRIC COOPERATIVES AVERAGE EXPENSE PER MILE OF LINE STATISTICAL COMPARISONS

| COOPERATIVE         | <u>2007</u>  | <u>2006</u>  | <u>2005</u>  | <u>2004</u>  | <u>2003</u>  | % CHANGE<br>FROM 2003 |
|---------------------|--------------|--------------|--------------|--------------|--------------|-----------------------|
| BIG SANDY           | \$3,676      | \$3,221      | \$3,590      | \$3,508      | \$3,211      | 14.5 %                |
| BLUE GRASS ENERGY   | 3,240        | 2,939        | 2,861        | 2,138        | 2,147        | 50.9 *                |
| CLARK ENERGY COOP   | 2,077        | 2,038        | 2,065        | 2,120        | 2,290        | -9.3                  |
| CUMBERLAND VALLEY   | 2,360        | 2,404        | 2,186        | 2,065        | 1,986        | 18.8                  |
| FARMERS             | 1,749        | 1,499        | 1,588        | 1,660        | 1,597        | 9.5                   |
| FLEMING-MASON       | 1,905        | 1,987        | 2,004        | 1,754        | 1,719        | 10.8                  |
| GRAYSON             | 2,229        | 1,954        | 1,957        | 2,003        | 1,896        | 17.6                  |
| INTER-COUNTY        | 1,943        | 1,950        | 1,904        | 1,757        | 1,801        | 7.9                   |
| JACKSON ENERGY      | 2,730        | 2,715        | 2,425        | 2,474        | 2,285        | 19.5                  |
| LICKING VALLEY      | 2,224        | 2,121        | 2,126        | 1,980        | 1,858        | 19.7                  |
| NOLIN               | 3,684        | 3,528        | 3,208        | 3,639        | 3,452        | 6.7                   |
| OWEN                | 3,178        | 3,346        | 2,572        | 2,711        | 2,575        | 23.4 **               |
| SALT RIVER ELECTRIC | 2,282        | 2,187        | 2,190        | 2,443        | 2,244        | 1.7                   |
| SHELBY ENERGY       | 1,872        | 2,081        | 2,024        | 2,115        | 1,970        | -5.0                  |
| SOUTH KENTUCKY      | 2,477        | 2,375        | 2,211        | 2,167        | 2,263        |                       |
| TAYLOR COUNTY       | <u>1,598</u> | <u>1,655</u> | <u>1,518</u> | <u>1,480</u> | <u>1,462</u> | <u>9.3</u>            |
| AVERAGE EKPC        | \$2,451      | \$2,374      | \$2,277      | \$2,251      | \$2,172      | 12.8 %                |
| JACKSON PURCHASE    | \$2,663      | \$2,632      | \$2,353      | \$2,082      | \$2,071      | 28.6 %                |
| KENERGY             | 2,595        | 2,746        | 2,673        | 2,384        | 2,090        | 24.2                  |
| MEADE COUNTY        | <u>2,334</u> | <u>2,300</u> | <u>2,264</u> | <u>2,233</u> | <u>2,028</u> | <u>15.1</u>           |
| AVERAGE BIG RIVERS  | \$2,531      | \$2,560      | \$2,430      | \$2,233      | \$2,064      | 22.6 %                |
| HICKMAN-FULTON      | \$2,373      | \$2,509      | \$2,250      | \$2,157      | \$2,029      | 17.0 %                |
| PENNYRILE           | 2,334        | 2,147        | 2,052        | 2,114        | 2,070        | 12.8                  |
| TRI-COUNTY          | 2,248        | 2,192        | 2,179        | 2,180        | 2,010        | 11.8                  |
| WARREN              | 3,251        | 3,122        | 3,002        | 2,921        | 2,626        | 23.8                  |
| WEST KENTUCKY       | <u>3,246</u> | 2,966        | <u>3,115</u> | <u>2,726</u> | <u>2,684</u> | <u>20.9</u>           |
| AVERAGE TVA         | \$2,691      | \$2,587      | \$2,519      | \$2,420      | \$2,284      | 17.8 %                |
| OVERALL AVERAGE     | \$2,512      | \$2,443      | \$2,347      | \$2,284      | \$2,182      | 15.1 %                |

<sup>\*</sup> NEW MAPPING SYSTEM INSTALLED IN 2005 - MORE ACCURATE COUNT

<sup>\*\*</sup> NEW MAPPING SYSTEM INSTALLED IN 2006 - MORE ACCURATE COUNT

2007
KENTUCKY ELECTRIC COOPERATIVES
DENSITY CONSUMERS PER MILE
STATISTICAL COMPARISONS

| COOPERATIVE         | 2007       | 2006       | 2005       | 2004       | % (<br>2003 FR | CHANGE<br>OM 2003 |
|---------------------|------------|------------|------------|------------|----------------|-------------------|
|                     |            |            |            |            |                |                   |
| BIG SANDY           | 12.8       | 13.0       | 12.7       | 12.7       | 12.5           | 2.4 %             |
| BLUE GRASS ENERGY   | 11.9       | 11.9       | 11.7       | 8.6        | 8.5            | 40.0 *            |
| CLARK ENERGY COOP   | 8.7        | 8.6        | 8.6        | 8.6        | 8.5            | 2.4               |
| CUMBERLAND VALLEY   | 9.1        | 9.1        | 9.1        | 10.1       | 9.9            | -8.1              |
| FARMERS             | 6.8        | 6.7        | 6.7        | 6.6        | 6.6            | 3.0               |
| FLEMING-MASON       | 6.8        | 6.8        | 6.7        | 6.7        | 6.6            | 3.0               |
| GRAYSON             | 6.4        | 6.4        | 6.3        | 6.3        | 6.2            | 3.2               |
| INTER-COUNTY        | 6.9        | 7.0        | 7.0        | 7.1        | 7.1            | -2.8              |
| JACKSON ENERGY      | 9.1        | 9.1        | 9.0        | 9.0        | 9.0            | 1.1               |
| LICKING VALLEY      | 9.0        | 8.0        | 8.0        | 8.0        | 8.3            | 8.4               |
| NOLIN               | 10.8       | 10.8       | 10.5       | 10.4       | 10.2           | 5.9               |
| OWEN                | 12.7       | 12.5       | 10.8       | 10.7       | 10.5           | 21.0 **           |
| SALT RIVER ELECTRIC | 11.7       | 11.7       | 11.5       | 11.4       | 11.2           | 4.5               |
| SHELBY ENERGY       | 7.3        | 7.0        | 7.0        | 7.0        | 7.0            | 4.3               |
| SOUTH KENTUCKY      | 9.5        | 9.5        | 9.4        | 9.4        | 9.4            | 1.1               |
| TAYLOR COUNTY       | <u>7.9</u> | <u>7.8</u> | <u>7.8</u> | <u>7.1</u> | <u>7.7</u>     | <u>2.6</u>        |
| AVERAGE EKPC        | 9.3        | 9.2        | 9.0        | 8.8        | 8.7            | 6.9 %             |
| JACKSON PURCHASE    | 8.8        | 8.8        | 8.8        | 8.7        | 8.7            | 1.1 %             |
| KENERGY             | 7.8        | 7.8        | 7.7        | 7.7        | 7.6            | 2.6               |
| MEADE COUNTY        | 9.3        | <u>9.2</u> | 9.2        | <u>9.1</u> | <u>9.1</u>     | 2.2               |
| AVERAGE BIG RIVERS  | 8.4        | 8.3        | 8.3        | 8.2        | 8.2            | 2.4 %             |
| HICKMAN-FULTON      | 5.5        | 5.5        | 5.5        | 5.5        | 5.5            | 0.0 %             |
| PENNYRILE           | 9.2        | 9.1        | 9.1        | 9.0        | 8.9            | 3.4               |
| TRI-COUNTY          | 9.2        | 9.1        | 9.2        | 9.1        | 9.1            | 1.1               |
| WARREN              | 10.5       | 10.3       | 10.2       | 10.1       | 10.0           | 5.0               |
| WEST KENTUCKY       | 9.8        | <u>9.5</u> | <u>9.5</u> | <u>9.5</u> | <u>9.5</u>     | <u>3.2</u>        |
| AVERAGE TVA         | 9.5        | 9.4        | 9.4        | 9.3        | 9.2            | 3.3 %             |
| OVERALL AVERAGE     | 9.2        | 9.1        | 9.0        | 8.8        | 8.7            | 5.7 %             |

<sup>\*</sup> NEW MAPPING SYSTEM INSTALLED IN 2005 - MORE ACCURATE COUNT

<sup>\*\*</sup> NEW MAPPING SYSTEM INSTALLED IN 2006 - MORE ACCURATE COUNT

# KENTUCKY ELECTRIC COOPERATIVES OPERATING EXPENSE AND STATISTICAL COMPARISONS 2007 - 2006 ANNUAL COMPARISON

|  | AVERAGE EX   | KPENSE PER (<br>EKPC                                     | CONSUMER   |  | AVERAGE E   | XPENSE PER<br>TVA  | CONSUMER   |
|--|--|--|--|--|---|--|--|
|  | 2007   | 2006   | CHANGE   |  | 2007  | 2006   | CHANGE   |
| DISTRIBUTION OPERATION DISTRIBUTION MAINTENANCE ACCOUNTING CONSUMER INFORMATION ADMINISTRATION                                 | \$ 60.00<br>\$ 81.00<br>\$ 54.00<br>\$ 11.00<br>\$ 63.00 | \$ 57.00<br>\$ 80.00<br>\$ 53.00<br>\$ 10.00<br>\$ 62.00 | \$ 3.00<br>\$ 1.00<br>\$ 1.00<br>\$ 1.00<br>\$ 1.00    | DISTRIBUTION OPERATION DISTRIBUTION MAINTENANCE ACCOUNTING CONSUMER INFORMATION ADMINISTRATION                                 | \$ 77.00<br>\$ 114.00<br>\$ 50.00<br>\$ 10.00<br>\$ 63.00 | \$ 72.00<br>\$ 114.00<br>\$ 49.00<br>\$ 8.00<br>\$ 66.00 | \$ 5.00<br>\$ -<br>\$ 1.00<br>\$ 2.00<br>\$ (3.00) |
| TOTAL PER CONSUMER   | \$ 269.00  | \$ 262.00  | \$ 7.00  | TOTAL PER CONSUMER   | \$ 314.00   | \$ 309.00  | \$ 5.00  |
|  | OTHER ST   | ATISTICAL INI  | FORMATION  |  | OTHER ST  | ATISTICAL IN   | FORMATION  |
| NUMBER OF EMPLOYEES MILES OF LINE CONSUMERS BILLED MILES OF LINE PER EMPLOYEE CONSUMER PER EMPLOYEE DENSITY CONSUMERS PER MILE | 1,218<br>54,931<br>508,550<br>45.2<br>418<br>9.3         | 1,221<br>54,397<br>502,345<br>44.7<br>413<br>9.2         | (3)<br>534<br>6,205<br>0.5<br>5<br>0.1                 | NUMBER OF EMPLOYEES MILES OF LINE CONSUMERS BILLED MILES OF LINE PER EMPLOYEE CONSUMER PER EMPLOYEE DENSITY CONSUMERS PER MILE | 513<br>20,650<br>197,034<br>40.1<br>383<br>9.5            | 507<br>20,660<br>194,244<br>40.9<br>385<br>9.4           | 6<br>(10)<br>2,790<br>(0.8)<br>(2)<br>0.1          |
|  | AVERAGE E  | XPENSE PER<br>BIG RIVERS                                 |  |  |   | XPENSE PER<br>OVERALL AVE                                |  |
|  | 2007   | 2006   | CHANGE   |  | 2007  | 2006   | CHANGE   |
| DISTRIBUTION OPERATION DISTRIBUTION MAINTENANCE ACCOUNTING CONSUMER INFORMATION ADMINISTRATION                                 | \$ 69.00<br>\$ 118.00<br>\$ 45.00<br>\$ 8.00<br>\$ 55.00 | \$ 70.00<br>\$ 121.00<br>\$ 44.00<br>\$ 8.00<br>\$ 58.00 | \$ (1.00)<br>\$ (3.00)<br>\$ 1.00<br>\$ -<br>\$ (3.00) | DISTRIBUTION OPERATION DISTRIBUTION MAINTENANCE ACCOUNTING CONSUMER INFORMATION ADMINISTRATION                                 | \$ 65.00<br>\$ 92.00<br>\$ 52.00<br>\$ 10.00<br>\$ 62.00  | \$ 62.00<br>\$ 92.00<br>\$ 51.00<br>\$ 9.00<br>\$ 62.00  | \$ 3.00<br>\$ -<br>\$ 1.00<br>\$ 1.00<br>\$ -      |
| TOTAL PER CONSUMER   | \$ 295.00  | \$ 301.00  | \$ (6.00)  | TOTAL PER CONSUMER   | \$ 281.00   | \$ 276.00  | \$5.00   |
|  | OTHER ST   | ATISTICAL IN   | FORMATION  |  | OTHER ST  | ATISTICAL IN   | FORMATION  |
| NUMBER OF EMPLOYEES MILES OF LINE CONSUMERS BILLED MILES OF LINE PER EMPLOYEE CONSUMER PER EMPLOYEE DENSITY CONSUMERS PER MILE | 301<br>13,204<br>110,584<br>44.0<br>369<br>8.4           | 301<br>13,125<br>109,329<br>43.8<br>364<br>8.3           | 0<br>79<br>1,255<br>0.2<br>5<br>0.1                    | NUMBER OF EMPLOYEES MILES OF LINE CONSUMERS BILLED MILES OF LINE PER EMPLOYEE CONSUMER PER EMPLOYEE DENSITY CONSUMERS PER MILE | 2,032<br>88,785<br>816,168<br>43.5<br>400<br>9.2          | 2,029<br>88,182<br>805,918<br>43.2<br>395<br>9.1         | 3<br>603<br>10,250<br>0.3<br>5<br>0.1              |

2007
KENTUCKY ELECTRIC COOPERATIVES
MILES OF LINE
STATISTICAL COMPARISONS

| COOPERATIVE         | <u>2007</u>  | <u>2006</u>  | 2005         | 2004         | 2003         | % CHANGE<br>FROM 2003 |
|---------------------|--------------|--------------|--------------|--------------|--------------|-----------------------|
| BIG SANDY           | 1,022        | 1,016        | 1,012        | 1,003        | 1,001        | 2.1 %                 |
| BLUE GRASS ENERGY   | 4,535        | 4,487        | 4,440        | 5,912        | 5,847        | -22.4 *               |
| CLARK ENERGY COOP   | 2,982        | 2,966        | 2,935        | 2,900        | 2,865        | 4.1                   |
| CUMBERLAND VALLEY   | 2,577        | 2,559        | 2,529        | 2,503        | 2,479        | 4.0                   |
| FARMERS             | 3,513        | 3,481        | 3,447        | 3,416        | 3,382        | 3.9                   |
| FLEMING-MASON       | 3,483        | 3,456        | 3,421        | 3,386        | 3,346        | 4.1                   |
| GRAYSON             | 2,454        | 2,437        | 2,416        | 2,400        | 2,377        | 3.2                   |
| INTER-COUNTY        | 3,630        | 3,572        | 3,502        | 3,409        | 3,324        | 9.2                   |
| JACKSON ENERGY      | 5,652        | 5,621        | 5,597        | 5,552        | 5,486        | 3.0                   |
| LICKING VALLEY      | 2,020        | 2,014        | 2,006        | 2,002        | 1,991        | 1.5                   |
| NOLIN               | 2,917        | 2,841        | 2,841        | 2,802        | 2,763        | 5.6                   |
| OWEN                | 4,428        | 4,400        | 4,940        | 4,836        | 4,771        | -7.2 **               |
| SALT RIVER ELECTRIC | 3,903        | 3,847        | 3,750        | 3,649        | 3,572        | 9.3                   |
| SHELBY ENERGY       | 2,065        | 2,025        | 2,008        | 1,978        | 1,952        | 5.8                   |
| SOUTH KENTUCKY      | 6,600        | 6,540        | 6,475        | 6,408        | 6,321        | 4.4                   |
| TAYLOR COUNTY       | <u>3,150</u> | <u>3,135</u> | <u>3,094</u> | <u>3,067</u> | <u>3,038</u> | <u>3.7</u>            |
| TOTAL EKPC          | 54,931       | 54,397       | 54,413       | 55,223       | 54,515       | 0.8 %                 |
| JACKSON PURCHASE    | 3,271        | 3,244        | 3,213        | 3,180        | 3,142        | 4.1 %                 |
| KENERGY             | 6,974        | 6,944        | 6,915        | 6,859        | 6,801        | 2.5                   |
| MEADE COUNTY        | <u>2,959</u> | <u>2,937</u> | <u>2,893</u> | <u>2,866</u> | <u>2,821</u> | <u>4.9</u>            |
| TOTAL BIG RIVERS    | 13,204       | 13,125       | 13,021       | 12,905       | 12,764       | 3.4 %                 |
| HICKMAN-FULTON      | 688          | 685          | 683          | 682          | 685          | 0.4 %                 |
| PENNYRILE           | 5,047        | 5,022        | 4,997        | 4,986        | 4,977        | 1.4                   |
| TRI-COUNTY          | 5,450        | 5,427        | 5,388        | 5,358        | 5,331        | 2.2                   |
| WARREN              | 5,584        | 5,556        | 5,504        | 5,449        | 5,418        |                       |
| WEST KENTUCKY       | <u>3,881</u> | <u>3,970</u> | <u>3,940</u> | <u>3,908</u> | <u>3,878</u> | <u>0.1</u>            |
| TOTAL TVA           | 20,650       | 20,660       | 20,512       | 20,383       | 20,289       | 1.8 %                 |
| OVERALL TOTAL       | 88,785       | 88,182       | 87,946       | 88,511       | 87,568       | 1.4 %                 |

<sup>\*</sup> NEW MAPPING SYSTEM INSTALLED IN 2005 - MORE ACCURATE COUNT

<sup>\*\*</sup> NEW MAPPING SYSTEM INSTALLED IN 2006 - MORE ACCURATE COUNT

2007
KENTUCKY ELECTRIC COOPERATIVES
TOTAL AVERAGE NUMBER OF CONSUMERS BILLED
STATISTICAL COMPARISONS

| COOPERATIVE         | <u>2007</u>   | <u>2006</u>   | <u>2005</u>    | <u>2004</u>    | <u>2003</u>   | % CHANGE<br>FROM 2003 |
|---------------------|---------------|---------------|----------------|----------------|---------------|-----------------------|
| BIG SANDY           | 13,138        | 13,089        | 12,888         | 12,705         | 12,509        | 5.0 %                 |
| BLUE GRASS ENERGY   | 54,021        | 53,175        | 52,068         | 50,774         | 49,421        | 9.3                   |
| CLARK ENERGY COOP   | 25,801        | 25,508        | 25,151         | 24,796         | 24,376        | 5.8                   |
| CUMBERLAND VALLEY   | 23,487        | 23,303        | 23,029         | 25,224         | 24,499        | -4.1                  |
| FARMERS             | 23,729        | 23,377        | 23,013         | 22,680         | 22,238        | 6.7                   |
| FLEMING-MASON       | 23,687        | 23,364        | 22,993         | 22,580         | 22,122        | 7.1                   |
| GRAYSON             | 15,631        | 15,517        | 15,302         | 15,113         | 14,827        | 5.4                   |
| INTER-COUNTY        | 25,185        | 24,869        | 24,501         | 24,059         | 23,672        | 6.4                   |
| JACKSON ENERGY      | 51,244        | 50,884        | 50,438         | 49,926         | 49,336        | 3.9                   |
| LICKING VALLEY      | 17,272        | 17,085        | 16,921         | 16,794         | 16,597        | 4.1                   |
| NOLIN               | 31,422        | 30,649        | 29,780         | 29,050         | 28,301        | 11.0                  |
| OWEN                | 56,290        | 55,141        | 53,598         | 51,811         | 49,940        | 12.7                  |
| SALT RIVER ELECTRIC | 45,453        | 44,979        | 42,997         | 41,458         | 39,876        | 14.0                  |
| SHELBY ENERGY       | 14,990        | 15,053        | 14,725         | 14,087         | 13,728        | 9.2                   |
| SOUTH KENTUCKY      | 62,408        | 61,869        | 60,922         | 60,128         | 59,081        | 5.6                   |
| TAYLOR COUNTY       | <u>24,792</u> | <u>24,483</u> | <u>24,089</u>  | <u>23,646</u>  | <u>23,231</u> | <u>6.7</u>            |
| TOTAL EKPC          | 508,550       | 502,345       | 492,415        | 484,831        | 473,754       | 7.3 %                 |
| JACKSON PURCHASE    | 28,747        | 28,461        | 28,105         | 27,704         | 27,343        | 5.1 %                 |
| KENERGY             | 54,337        | 53,860        | 53,264         | 52,592         | 51,869        | 4.8                   |
| MEADE COUNTY        | <u>27,500</u> | <u>27,008</u> | <u> 26,515</u> | <u> 26,118</u> | <u>25,553</u> | <u>7.6</u>            |
| TOTAL BIG RIVERS    | 110,584       | 109,329       | 107,884        | 106,414        | 104,765       | 5.6 %                 |
| HICKMAN-FULTON      | 3,770         | 3,736         | 3,739          | 3,752          | 3,766         | 0.1 %                 |
| PENNYRILE           | 46,393        | 45,877        | 45,367         | 44,653         | 44,028        | 5.4                   |
| TRI-COUNTY          | 50,223        | 49,561        | 49,308         | 48,867         | 48,483        | 3.6                   |
| WARREN              | 58,591        | 57,431        | 56,187         | 55,079         | 54,073        | 8.4                   |
| WEST KENTUCKY       | <u>38,057</u> | <u>37,639</u> | <u>37,305</u>  | <u>36,993</u>  | <u>36,655</u> | <u>3.8</u>            |
| TOTAL TVA           | 197,034       | 194,244       | 191,906        | 189,344        | 187,005       | 5.4 %                 |
| OVERALL TOTAL       | 816,168       | 805,918       | 792,205        | 780,589        | 765,524       | 6.6 %                 |

2007
KENTUCKY ELECTRIC COOPERATIVES
TOTAL RESIDENTIAL REVENUES
STATISTICAL COMPARISONS

|                     |                   |               |                   |             |                   | % CHANGE    |
|---------------------|-------------------|---------------|-------------------|-------------|-------------------|-------------|
| COOPERATIVE         | <u>2007</u>       | <u>2006</u>   | <u>2005</u>       | <u>2004</u> | <u>2003</u>       | FROM 2003   |
| BIG SANDY           | \$15,853,498      | \$14,192,128  | \$13,672,178      | 11,398,809  | 10,605,561        | 49.5 %      |
| BLUE GRASS ENERGY   | 68,578,375        | 61,513,915    | 59,969,633        | 49,545,080  | 45,288,666        | 51.4        |
| CLARK ENERGY COOP   | 29,717,098        | 27,327,922    | 26,203,306        | 22,143,145  | 20,514,937        | 44.9        |
| CUMBERLAND VALLEY   | 27,983,567        | 24,948,723    | 22,940,517        | 19,173,225  | 18,027,748        | 55.2        |
| FARMERS             | 26,450,827        | 23,743,770    | 22,712,747        | 19,208,242  | 17,815,396        | 48.5        |
| FLEMING-MASON       | 23,419,768        | 20,907,145    | 20,393,262        | 18,430,538  | 15,570,174        | 50.4        |
| GRAYSON             | 18,131,615        | 16,223,795    | 16,244,690        | 13,861,532  | 13,068,736        | 38.7        |
| INTER-COUNTY        | 33,391,723        | 28,203,005    | 27,321,723        | 24,142,722  | 22,880,567        | 45.9        |
| JACKSON ENERGY      | 66,382,819        | 60,198,185    | 61,806,841        | 51,653,862  | 48,569,903        | 36.7        |
| LICKING VALLEY      | 18,876,065        | 18,373,586    | 16,742,467        | 14,263,281  | 13,170,886        | 43.3        |
| NOLIN               | 39,672,514        | 33,591,739    | 34,383,316        | 28,076,279  | 25,415,952        | 56.1        |
| OWEN                | 66,458,715        | 58,817,668    | 55,724,664        | 47,113,587  | 42,680,828        | 55.7        |
| SALT RIVER ELECTRIC | 57,330,349        | 49,796,107    | 48,015,562        | 39,732,157  | 36,031,040        | 59.1        |
| SHELBY ENERGY       | 19,684,110        | 17,784,401    | 17,533,652        | 14,268,131  | 13,127,239        | 49.9        |
| SOUTH KENTUCKY      | 67,646,098        | 59,324,021    | 55,802,486        | 48,838,870  | 44,138,209        | 53.3        |
| TAYLOR COUNTY       | <u>25,472,592</u> | 22,725,012    | 22,031,517        | 19,056,126  | 18,004,463        | <u>41.5</u> |
| TOTAL EKPC          | \$605,049,733     | \$537,671,122 | \$521,498,561     | 440,905,586 | 404,910,305       | 49.4 %      |
| JACKSON PURCHASE    | \$25,697,996      | \$23,847,988  | \$24,496,967      | 22,841,472  | 22,574,806        | 13.8 %      |
| KENERGY             | 50,041,715        | 43,955,864    | 45,323,132        | 42,207,989  | 41,020,077        | 22.0        |
| MEADE COUNTY        | 21,982,113        | 20,297,372    | <u>20,436,215</u> | 18,944,590  | <u>18,213,337</u> | <u>20.7</u> |
| TOTAL BIG RIVERS    | \$97,721,824      | \$88,101,224  | \$90,256,314      | 83,994,051  | 81,808,220        | 19.5 %      |
| HICKMAN-FULTON      | \$4,576,311       | \$4,311,951   | \$4,190,389       | 4,000,868   | 3,805,948         | 20.2 %      |
| PENNYRILE           | 51,817,219        | 48,880,787    | 44,135,641        | 41,000,292  | 38,718,311        | 33.8        |
| TRI-COUNTY          | 54,981,186        | 52,780,772    | 47,841,610        | 44,800,930  | 42,833,960        | 28.4        |
| WARREN              | 69,955,053        | 64,825,495    | 60,315,980        | 55,933,218  | 52,358,896        | 33.6        |
| WEST KENTUCKY       | <u>45,691,877</u> | 41,190,556    | 38,609,978        | 35,207,258  | 34,117,587        | <u>33.9</u> |
| TOTAL TVA           | \$227,021,646     | \$211,989,561 | \$195,093,598     | 180,942,566 | 171,834,702       | 32.1 %      |
| OVERALL TOTAL       | \$929,793,203     | \$837,761,907 | \$806,848,473     | 705,842,203 | 658,553,227       | 41.2 %      |

7
KENTUCKY ELECTRIC COOPERATIVES
OPERATING EXPENSE STATISTICAL COMPARISONS
AVERAGE ANNUAL BASIS

|                              |              |              |              | ,,,,         | INAGE ANNO   | , ,, , , , , , |              |           |       |           |          |           |           |
|------------------------------|--------------|--------------|--------------|--------------|--------------|----------------|--------------|-----------|-------|-----------|----------|-----------|-----------|
|                              | DISTRIBUTION | DISTRIBUTION | TOTAL        | CONSUMER     | CONSUMER     | ADM. & GEN.    | TOTAL        | NUMBER    | MILES | NUMBER OF | MILES OF | CONSUMERS | DENSITY   |
| COOPERATIVE NAME             | OPERATION    | MAINTENANCE  | OP. & MAINT. | ACCOUNTING   | INFORMATION  | EXPENSE        | EXPENSE      | OF        | OF    | CONSUMERS | LINE PER | PER       | CONSUMERS |
|                              | PER CONSUMER   | PER CONSUMER | EMPLOYEES | LINE  | BILLED    | EMPLOYEE | EMPLOYEE  | PER MILE  |
| BIG SANDY RECC               | 45           | 83           | 128          | 50           | 7            | 101            | 286          | 44        | 1,022 | 13,138    | 23.2     | 298       | 12.8      |
| BLUE GRASS ENERGY COOP       | 51           | 81           | 132          | 44           | 19           | 77             | 272          | 114       | 4,535 | 54,021    | 39.8     | 474       | 11.9      |
| CLARK ENERGY COOP            | 57           | 73           | 130          | 52           | 7            | 51             | 240          | 51        | 2,982 | 25,801    | 58.5     | 506       | 8.7       |
| CUMBERLAND VALLEY ELECTRIC   | 48           | 88           | 136          | 65           | 7            | 51             | 259          | 56        | 2,577 | 23,487    | 46.0     | 419       | 9,1       |
| FARMERS RECC                 | 35           | 95           | 130          | 49           | 12           | 68             | 259          | 68        | 3,513 | 23,729    | 52.0     | 349       | 6.8       |
| FLEMING-MASON ENERGY         | 55           | 96           | 151          | 67           | 7            | 55             | 280          | 52        | 3,483 | 23,687    | 67.0     | 456       | 6.8       |
| GRAYSON RECC                 | 65           | 130          | 195          | 56           | 14           | 85             | 350          | 44        | 2,454 | 15,631    | 55.8     | 355       | 6.4       |
| INTER-COUNTY ENERGY          | 73           | 55           | 128          | 65           | 19           | 68             | 280          | 62        | 3,630 | 25,185    | 58.6     | 406       | 6.9       |
| JACKSON ENERGY COOP          | 71           | 88           | 159          | 63           | 9            | 70             | 301          | 130       | 5,652 | 51,244    | 43.5     | 394       | 9.1       |
| LICKING VALLEY RECC          | 74           | 82           | 156          | 43           | 7            | 54             | 260          | 45        | 2,020 | 17,272    | 45.0     | 384       | 9.0       |
| NOLIN RECC                   | 88           | 97           | 185          | 59           | 20           | 78             | 342          | 92        | 2,917 | 31,422    | 31.7     | 342       | 10.8      |
| OWEN EC                      | 70           | 57           | 127          | 62           | 7            | 54             | 250          | 138       | 4,428 | 56,290    | 32.1     | 408       | 12.7      |
| SALT RIVER ELECTRIC          | 45           | 45           | 90           | 44           | 8            | 54             | 196          | 75        | 3,903 | 45,453    | 52.0     | 606       | 11.7      |
| SHELBY ENERGY COOP           | 76           | 78           | 154          | 51           | 9            | 44             | 258          | 31        | 2,065 | 14,990    | 66.6     | 484       | 7.3       |
| SOUTH KENTUCKY RECC          | 52           | 88           | 140          | 55           | 12           | 55             | 262          | 157       | 6,600 | 62,408    | 42.0     | 398       | 9,5       |
| TAYLOR COUNTY RECC           | 56           | 56           | 112          | 39           | 5            | 47             | 203          | 59        | 3,150 | 24,792    | 53.4     | 420       | 7.9       |
| EKPC GROUP AVERAGE           | 60           | 81           | 141          | 54           | 11           | 63             | 269          | 76        | 3,433 | 31,784    | 45.2     | 418       | 9.3       |
| JACKSON PURCHASE ENERGY      | 66           | 118          | 184          | 39           | 10           | 70             | 303          | 79        | 3,271 | 28,747    | 41.4     | 364       | 8.8       |
| KENERGY CORP                 | 72           | 150          | 222          | 52           | 6            | 53             | 333          | 156       | 6,974 | 54,337    | 44.7     | 348       | 7.8       |
| MEADE COUNTY RECC            | 68           | 87           | 155          | 44           | 9            | 43             | 251          | 66        | 2,959 | 27,500    | 45.0     | 417       | 9.3       |
| BIG RIVERS GROUP AVERAGE     | 69           | 118          | 187          | 45           | 8            | 55             | 295          | 100       | 4,401 | 36,861    | 44.0     | 369       | 8.4       |
| HICKMAN-FULTON COUNTIES RECC | 87           | 204          | 291          | 44           | 9            | 89             | 433          | 16        | 688   | 3,770     | 43.0     | 236       | 5.5       |
| PENNYRILE RECC               | 75           | 70           | 145          | 43           | 9            | 57             | 254          | 123       | 5,047 | 46,393    | 41.0     | 377       | 9.2       |
| TRI-COUNTY EMC               | 81           | 64           | 145          | 49           | 11           | 39             | 244          | 139       | 5,450 | 50,223    | 39.2     | 361       | 9.2       |
| WARREN RECC                  | 74           | 84           | 158          | 53           | 15           | 84             | 310          | 151       | 5,584 | 58,591    | 37.0     | 388       | 10.5      |
| WEST KENTUCKY RECC           | 69           | 149          | 218          | 62           | 6            | 45             | 331          | 84        | 3,881 | 38,057    | 46.2     | 453       | 9.8       |
| TVA GROUP AVERAGE            | 77           | 114          | 191          | 50           | 10           | 63             | 314          | 103       | 4,130 | 39,407    | 40.1     | 383       | 9.5       |
| OVERALL AVERAGE              | 65           | 92           | 157          | 52           | 10           | 62             | 281          | 85        | 3,699 | 34,007    | 43.5     | 400       | 9.2       |

KENTUCKY ELECTRIC COOPERATIVES
OPERATING EXPENSE STATISTICAL COMPARISONS
AVERAGE ANNUAL BASIS

|                              |              |              |              | 74 mi Orton |             |             |          |           |       |             |             |           |
|------------------------------|--------------|--------------|--------------|-------------|-------------|-------------|----------|-----------|-------|-------------|-------------|-----------|
|                              | DISTRIBUTION | DISTRIBUTION | TOTAL        | CONSUMER    | CONSUMER    | ADM. & GEN. | TOTAL    | NUMBER    | MILES | RESIDENTIAL | TOTAL       | AVERAGE   |
| COOPERATIVE NAME             | OPERATION    | MAINTENANCE  | OP. & MAINT. | ACCOUNTING  | INFORMATION | EXPENSE     | EXPENSE  | OF        | OF    | CONSUMERS   | RESIDENTIAL | MONTHLY   |
| COOP EIGHTY HAME             | PER MILE     | PER MILE     | PER MILE     | PER MILE    | PER MILE    | PER MILE    | PER MILE | EMPLOYEES | LINE  | BILLED      | REVENUES    | RES'L REV |
| BIG SANDY RECC               | 578          | 1,067        | 1,645        | 643         | 90          | 1,298       | 3,676    | 44        | 1,022 | 12,019      | 15,853,498  | 109.9     |
| BLUE GRASS ENERGY COOP       | 608          | 965          | 1,573        | 524         | 226         | 917         | 3,240    | 114       | 4,535 | 51,794      | 68,578,375  | 110.3     |
| CLARK ENERGY COOP            | 493          | 632          | 1,125        | 450         | 61          | 441         | 2,077    | 51        | 2,982 | 24,152      | 29,717,098  | 102.5     |
| CUMBERLAND VALLEY ELECTRIC   | 437          | 802          | 1,239        | 592         | 64          | 465         | 2,360    | 56        | 2,577 | 22,021      | 27,983,567  | 105.9     |
| FARMERS RECC                 | 236          | 642          | 878          | 331         | 81          | 459         | 1,749    | 68        | 3,513 | 22,045      | 26,450,827  | 100.0     |
| FLEMING-MASON ENERGY         | 374          | 653          | 1,027        | 456         | 48          | 374         | 1,905    | 52        | 3,483 | 17,627      | 23,419,768  | 110.7     |
| GRAYSON RECC                 | 414          | 828          | 1,242        | 357         | 89          | 541         | 2,229    | 44        | 2,454 | 14,342      | 18,131,615  | 105.4     |
| INTER-COUNTY ENERGY          | 506          | 382          | 888          | 451         | 132         | 472         | 1,943    | 62        | 3,630 | 23,892      | 33,391,723  | 116.5     |
| JACKSON ENERGY COOP          | 644          | 798          | 1,442        | 571         | 82          | 635         | 2,730    | 130       | 5,652 | 47,615      | 66,382,819  | 116.2     |
| LICKING VALLEY RECC          | 633          | 701          | 1,334        | 368         | 60          | 462         | 2,224    | 45        | 2,020 | 16,125      | 18,876,065  | 97.6      |
| NOLIN RECC                   | 948          | 1,045        | 1,993        | 636         | 215         | 840         | 3,684    | 92        | 2,917 | 28,324      | 39,672,514  | 116.7     |
| OWEN EC                      | 890          | 725          | 1,615        | 788         | 89          | 686         | 3,178    | 138       | 4,428 | 54,003      | 66,458,715  | 102.6     |
| SALT RIVER ELECTRIC          | 524          | 524          | 1,048        | 512         | 93          | 629         | 2,282    | 75        | 3,903 | 42,663      | 57,330,349  | 112.0     |
| SHELBY ENERGY COOP           | 552          | 566          | 1,118        | 370         | 65          | 319         | 1,872    | 31        | 2,065 | 14,424      | 19,684,110  | 113.7     |
| SOUTH KENTUCKY RECC          | 492          | 832          | 1,324        | 520         | 113         | 520         | 2,477    | 157       | 6,600 | 57,508      | 67,646,098  | 98.0      |
| TAYLOR COUNTY RECC           | 441          | 441          | 882          | 307         | 39          | 370         | 1,598    | 59        | 3,150 | 22,031      | 25,472,592  | 96.4      |
| EKPC GROUP AVERAGE           | 548          | 725          | 1,273        | 492         | 97          | 589         | 2,451    | 76        | 3,433 | 29,412      | 37,815,608  | 107.1     |
| JACKSON PURCHASE ENERGY      | 580          | 1,037        | 1,617        | 343         | 88          | 615         | 2,663    | 79        | 3,271 | 25,782      | 25,697,996  | 83.1      |
| KENERGY CORP                 | 561          | 1,169        | 1,730        | 405         | 47          | 413         | 2,595    | 156       | 6,974 | 44,758      | 50,041,715  | 93.2      |
| MEADE COUNTY RECC            | 632          | 809          | 1,441        | 409         | 84          | 400         | 2,334    | 66        | 2,959 | 25,453      | 21,982,113  | 72.0      |
| BIG RIVERS GROUP AVERAGE     | 591          | 1,005        | 1,596        | 386         | 73          | 476         | 2,531    | 100       | 4,401 | 31,998      | 32,573,941  | 84.8      |
| HICKMAN-FULTON COUNTIES RECC | 477          | 1,118        | 1,595        | 241         | 49          | 488         | 2,373    | 16        | 688   | 2,954       | 4,576,311   | 129.1     |
| PENNYRILE RECC               | 689          | 643          | 1,332        | 395         | 83          | 524         | 2,334    | 123       | 5,047 | 37,057      | 51,817,219  | 116.5     |
| TRI-COUNTY EMC               | 746          | 590          | 1,336        | 452         | 101         | 359         | 2,248    | 139       | 5,450 | 40,763      | 54,981,186  | 112.4     |
| WARREN RECC                  | 776          | 881          | 1,657        | 556         | 157         | 881         | 3,251    | 151       | 5,584 | 48,774      | 69,955,053  | 119.5     |
| WEST KENTUCKY RECC           | 677          | 1,461        | 2,138        | 608         | 59          | 441         | 3,246    | 84        | 3,881 | 30,694      | 45,691,877  | 124.1     |
| TVA GROUP AVERAGE            | 673          | 939          | 1,612        | 450         | 90          | 539         | 2,691    | 103       | 4,130 | 32,048      | 45,404,329  | 118.1     |
| OVERALL AVERAGE              | 580          | 805          | 1,385        | 470         | 92          | 565         | 2,512    | 85        | 3,699 | 30,284      | 38,741,383  | 106.6     |

2008
KENTUCKY ELECTRIC COOPERATIVES
AVERAGE EXPENSE PER CONSUMER
STATISTICAL COMPARISONS

|                     |             |             | Ÿ.           |              |               | % CHANGE    |
|---------------------|-------------|-------------|--------------|--------------|---------------|-------------|
| <u>COOPERATIVE</u>  | <u>2008</u> | <u>2007</u> | <u>2006</u>  | <u>2005</u>  | <u>2004</u>   | FROM 2004   |
|                     |             |             | 4            |              |               |             |
| BIG SANDY           | \$291       | \$286       | \$250        | \$282        | \$277         | 5.1 %       |
| BLUE GRASS ENERGY   | 291         | 272         | 248          | 244          | 249           | 16.9        |
| CLARK ENERGY COOP   | 253         | 240         | 237          | 241          | 248           | 2.0         |
| CUMBERLAND VALLEY   | 267         | 259         | 264          | 240          | 205           | 30.2        |
| FARMERS             | 262         | 259         | 223          | 238          | 250           | 4.8         |
| FLEMING-MASON       | 291         | 280         | 294          | 298          | 263           | 10.6        |
| GRAYSON             | 373         | 350         | 307          | 309          | 318           | 17.3        |
| INTER-COUNTY        | 300         | 280         | 280          | 272          | 249           | 20.5        |
| JACKSON ENERGY      | 311         | 301         | 300          | 269          | 275           | 13.1        |
| LICKING VALLEY      | 270         | 260         | 250          | 252          | 236           | 14.4        |
| NOLIN               | 349         | 342         | 327          | 306          | 351           | -0.6        |
| OWEN                | 266         | 250         | 267          | 237          | 253           | 5.1         |
| SALT RIVER ELECTRIC | 228         | 196         | 187          | 191          | 215           | 6.0         |
| SHELBY ENERGY       | 295         | 258         | 280          | 276          | 297           | -0.7        |
| SOUTH KENTUCKY      | 264         | 262         | 251          | 235          | 231           | 14.3        |
| TAYLOR COUNTY       | <u>215</u>  | <u>203</u>  | <u>212</u>   | <u>195</u>   | <u>192</u>    | <u>12.0</u> |
|                     |             | ****        | ****         | 40           | 4070          | 4000        |
| AVERAGE EKPC        | \$284       | \$269       | \$262        | \$255        | \$256         | 10.9 %      |
| JACKSON PURCHASE    | \$338       | \$303       | \$300        | \$269        | \$239         | 41.4 %      |
| KENERGY             | 363         | 333         | 354          | 347          | 311           | 16.7        |
| MEADE COUNTY        | <u>267</u>  | <u>251</u>  | <u>250</u>   | 247          | <u>245</u>    | <u>9.0</u>  |
| 41/4-05-010-011/00  | 4000        | <b>***</b>  | <b>#</b> 204 | <b>#</b> 000 | <b>\$00</b> 5 | 04.0.07     |
| AVERAGE BIG RIVERS  | \$323       | \$295       | \$301        | \$288        | \$265         | 21.9 %      |
| HICKMAN-FULTON      | \$525       | \$433       | \$460        | \$411        | \$392         | 33.9 %      |
| PENNYRILE           | 274         | 254         | 235          | 226          | 236           | 16.1        |
| TRI-COUNTY          | 258         | 244         | 240          | 238          | 239           | 7.9         |
| WARREN              | 331         | 310         | 302          | 294          | 289           | 14.5        |
| WEST KENTUCKY       | <u>384</u>  | <u>331</u>  | <u>313</u>   | <u>329</u>   | <u>288</u>    | <u>33.3</u> |
| AVERAGE TVA         | \$355       | \$314       | \$309        | \$300        | \$289         | 22.8 %      |
| OVERALL AVERAGE     | \$303       | \$281       | \$276        | \$270        | \$264         | 14.8 %      |

2008
KENTUCKY ELECTRIC COOPERATIVES
AVERAGE EXPENSE PER MILE OF LINE
STATISTICAL COMPARISONS

| COOPERATIVE         | 2008         | <u>2007</u>  | 2006         | 2005         | <u>2004</u>  | % CHANGE<br>FROM 2004 |
|---------------------|--------------|--------------|--------------|--------------|--------------|-----------------------|
| BIG SANDY           | \$3,744      | \$3,676      | \$3,221      | \$3,590      | \$3,508      | 6.7 %                 |
| BLUE GRASS ENERGY   | 3,486        | 3,240        | 2,939        | 2,861        | 2,138        | 63.0 *                |
| CLARK ENERGY COOP   | 2,182        | 2,077        | 2,038        | 2,065        | 2,120        | 2.9                   |
| CUMBERLAND VALLEY   | 2,442        | 2,360        | 2,404        | 2,186        | 2,065        | 18.3                  |
| FARMERS             | 1,793        | 1,749        | 1,499        | 1,588        | 1,660        | 8.0                   |
| FLEMING-MASON       | 1,976        | 1,905        | 1,987        | 2,004        | 1,754        | 12.7                  |
| GRAYSON             | 2,379        | 2,229        | 1,954        | 1,957        | 2,003        | 18.8                  |
| INTER-COUNTY        | 2,061        | 1,943        | 1,950        | 1,904        | 1,757        | 17.3                  |
| JACKSON ENERGY      | 2,837        | 2,730        | 2,715        | 2,425        | 2,474        | 14.7                  |
| LICKING VALLEY      | 2,330        | 2,224        | 2,121        | 2,126        | 1,980        | 17.7                  |
| NOLIN               | 3,786        | 3,684        | 3,528        | 3,208        | 3,639        | 4.0                   |
| OWEN                | 3,394        | 3,178        | 3,346        | 2,572        | 2,711        | 25.2 **               |
| SALT RIVER ELECTRIC | 2,658        | 2,282        | 2,187        | 2,190        | 2,443        | 8.8                   |
| SHELBY ENERGY       | 2,157        | 1,872        | 2,081        | 2,024        | 2,115        | 2.0                   |
| SOUTH KENTUCKY      | 2,618        | 2,477        | 2,375        | 2,211        | 2,167        | 20.8                  |
| TAYLOR COUNTY       | <u>1,703</u> | <u>1,598</u> | <u>1,655</u> | <u>1,518</u> | <u>1,480</u> | <u>15.1</u>           |
| AVERAGE EKPC        | \$2,596      | \$2,451      | \$2,374      | \$2,277      | \$2,251      | 15.3 %                |
| JACKSON PURCHASE    | \$3,403      | \$2,663      | \$2,632      | \$2,353      | \$2,082      | 63.4 %                |
| KENERGY             | 2,839        | 2,595        | 2,746        | 2,673        | 2,384        | 19.1                  |
| MEADE COUNTY        | <u>2,503</u> | <u>2,334</u> | <u>2,300</u> | <u>2,264</u> | 2,233        | <u>12.1</u>           |
| AVERAGE BIG RIVERS  | \$2,915      | \$2,531      | \$2,560      | \$2,430      | \$2,233      | 30.5 %                |
| HICKMAN-FULTON      | \$2,882      | \$2,373      | \$2,509      | \$2,250      | \$2,157      | 33,6 %                |
| PENNYRILE           | 2,505        | 2,334        | 2,147        | 2,052        | 2,114        | 18.5                  |
| TRI-COUNTY          | 2,375        | 2,248        |              | 2,179        | 2,180        | 8.9                   |
| WARREN              | 3,496        | 3,251        | 3,122        | 3,002        | 2,921        | 19.7                  |
| WEST KENTUCKY       | <u>3,649</u> |              |              |              |              | <u>33.9</u>           |
| AVERAGE TVA         | \$2,982      | \$2,691      | \$2,587      | \$2,519      | \$2,420      | 23.2 %                |
| OVERALL AVERAGE     | \$2,716      | \$2,512      | \$2,443      | \$2,347      | \$2,284      | 18.9 %                |

<sup>\*</sup> NEW MAPPING SYSTEM INSTALLED IN 2005 - MORE ACCURATE COUNT

<sup>\*\*</sup> NEW MAPPING SYSTEM INSTALLED IN 2006 - MORE ACCURATE COUNT

2008
KENTUCKY ELECTRIC COOPERATIVES
DENSITY CONSUMERS PER MILE
STATISTICAL COMPARISONS

|                     |            |              |            |              | % (        | CHANGE      |
|---------------------|------------|--------------|------------|--------------|------------|-------------|
| COOPERATIVE         | 2008       | <u> 2007</u> | 2006       | <u>2005</u>  | 2004 FR    | OM 2004     |
|                     |            |              |            |              |            |             |
| BIG SANDY           | 12.8       | 12.8         | 13.0       | 12.7         | 12.7       | 0.8 %       |
| BLUE GRASS ENERGY   | 12.0       | 11.9         | 11.9       | 11.7         | 8.6        | 39.5 *      |
| CLARK ENERGY COOP   | 8.6        | 8.7          | 8.6        | 8.6          | 8.6        | 0.0         |
| CUMBERLAND VALLEY   | 9.1        | 9.1          | 9.1        | 9.1          | 10.1       | -9.9        |
| FARMERS             | 6.8        | 6.8          | 6.7        | 6.7          | 6.6        | 3.0         |
| FLEMING-MASON       | 6.8        | 6.8          | 6.8        | 6.7          | 6.7        | 1.5         |
| GRAYSON             | 6.4        | 6.4          | 6.4        | 6.3          | 6.3        | 1.6         |
| INTER-COUNTY        | 6.9        | 6.9          | 7.0        | 7.0          | 7.1        | -2.8        |
| JACKSON ENERGY      | 9.1        | 9.1          | 9.1        | 9.0          | 9.0        | 1.1         |
| LICKING VALLEY      | 8.6        | 9.0          | 8.0        | 8.0          | 8.0        | 7.5         |
| NOLIN               | 10.9       | 10.8         | 10.8       | 10.5         | 10.4       | 4.8         |
| OWEN                | 12.8       | 12.7         | 12.5       | 10.8         | 10.7       | 19.6 **     |
| SALT RIVER ELECTRIC | 11.7       | 11.7         | 11.7       | 11.5         | 11.4       | 2.6         |
| SHELBY ENERGY       | 7.3        | 7.3          | 7.0        | 7.0          | 7.0        | 4.3         |
| SOUTH KENTUCKY      | 9.9        | 9.5          | 9.5        | 9.4          | 9.4        | 5.3         |
| TAYLOR COUNTY       | <u>7.9</u> | <u>7.9</u>   | <u>7.8</u> | <u>7.8</u>   | <u>7.1</u> | <u>11.3</u> |
| AVERAGE EKPC        | 9.3        | 9.3          | 9.2        | 9.0          | 8.8        | 5.7 %       |
| AVERAGE ERFO        | 5,3        | <i>3</i> .0  | J. Z.      | 3.0          | 0.0        | J.1 /0      |
| JACKSON PURCHASE    | 10.1       | 8.8          | 8.8        | 8.8          | 8.7        | 16.1 %      |
| KENERGY             | 7.8        | 7.8          | 7.8        | 7.7          | 7.7        | 1.3         |
| MEADE COUNTY        | 9.4        | <u>9.3</u>   | <u>9.2</u> | <u>9.2</u> . | <u>9.1</u> | <u>3.3</u>  |
|                     |            |              |            |              |            |             |
| AVERAGE BIG RIVERS  | 8.7        | 8.4          | 8.3        | 8.3          | 8.2        | 6.1 %       |
| HICKMAN-FULTON      | 5.5        | 5.5          | 5.5        | 5.5          | 5.5        | 0.0 %       |
| PENNYRILE           | 9.2        | 9.2          | 9.1        | 9.1          | 9.0        | 2.2         |
| TRI-COUNTY          | 9.2        | 9.2          | 9.1        | 9.2          | 9.1        | 1.1         |
| WARREN              | 10.6       | 10.5         | 10.3       | 10.2         | 10.1       | 5.0         |
| WEST KENTUCKY       | 9.5        | 9.8          | 9.5        | 9.5          | 9.5        | <u>0.0</u>  |
| VILOT ILLIVOUNT     | <u> </u>   | <u>5.0</u>   | <u> </u>   | <u> </u>     | <u> </u>   | <u> </u>    |
| AVERAGE TVA         | 9.5        | 9.5          | 9.4        | 9.4          | 9.3        | 2.2 %       |
| OVERALL AVERAGE     | 9.3        | 9.2          | 9.1        | 9.0          | 8.8        | 5.7 %       |

<sup>\*</sup> NEW MAPPING SYSTEM INSTALLED IN 2005 - MORE ACCURATE COUNT

<sup>\*\*</sup> NEW MAPPING SYSTEM INSTALLED IN 2006 - MORE ACCURATE COUNT

# KENTUCKY ELECTRIC COOPERATIVES OPERATING EXPENSE AND STATISTICAL COMPARISONS 2008 - 2007 ANNUAL COMPARISON

|  | AVERAGE E  | XPĖNSE PER<br>EKPC                                       | CONSUMER  |  | AVERAGE E   | XPENSE PER<br>TVA   | CONSUMER   |
|--|--|--|---|--|---|---|--|
|  | 2008   | 2007   | CHANGE  |  | 2008  | 2007  | CHANGE   |
| DISTRIBUTION OPERATION DISTRIBUTION MAINTENANCE ACCOUNTING CONSUMER INFORMATION ADMINISTRATION                                 | \$ 66.00<br>\$ 87.00<br>\$ 54.00<br>\$ 11.00<br>\$ 66.00 | \$ 60.00<br>\$ 81.00<br>\$ 54.00<br>\$ 11.00<br>\$ 63.00 | \$ 6.00<br>\$ 6.00<br>\$ -<br>\$ -<br>\$ 3.00     | DISTRIBUTION OPERATION DISTRIBUTION MAINTENANCE ACCOUNTING CONSUMER INFORMATION ADMINISTRATION                                 | \$ 85.00<br>\$ 135.00<br>\$ 54.00<br>\$ 9.00<br>\$ 72.00  | \$ 77.00<br>\$ 114.00<br>\$ 50.00<br>\$ 10.00<br>\$ 63.00 | \$ 8.00<br>\$ 21.00<br>\$ 4.00<br>\$ (1.00)<br>\$ 9.00 |
| TOTAL PER CONSUMER   | \$ 284.00  | \$ 269,00  | \$ 15.00  | TOTAL PER CONSUMER   | \$ 355.00   | \$ 314.00   | \$ 41.00   |
|  | OTHER ST   | ATISTICAL IN   | FORMATION   |  | OTHER ST  | ATISTICAL IN  | FORMATION  |
| NUMBER OF EMPLOYEES MILES OF LINE CONSUMERS BILLED MILES OF LINE PER EMPLOYEE CONSUMER PER EMPLOYEE DENSITY CONSUMERS PER MILE | 1,236<br>55,358<br>517,103<br>44.9<br>420<br>9.3         | 1,218<br>54,931<br>508,550<br>45.2<br>418<br>9.3         | 18<br>427<br>8,553<br>(0.3)<br>2<br>0.0           | NUMBER OF EMPLOYEES MILES OF LINE CONSUMERS BILLED MILES OF LINE PER EMPLOYEE CONSUMER PER EMPLOYEE DENSITY CONSUMERS PER MILE | 517<br>20,879<br>198,172<br>40.5<br>385<br>9.5            | 513<br>20,650<br>197,034<br>40.1<br>383<br>9.5            | 229<br>1,138<br>0.4<br>2<br>0.0                        |
|  | AVERAGE E  | XPENSE PER<br>BIG RIVERS                                 |   |  |   | XPENSE PER<br>OVERALL AVE                                 |  |
|  | 2008   | 2007   | CHANGE  |  | 2008  | 2007  | CHANGE   |
| DISTRIBUTION OPERATION DISTRIBUTION MAINTENANCE ACCOUNTING CONSUMER INFORMATION ADMINISTRATION                                 | \$ 76.00<br>\$ 135.00<br>\$ 47.00<br>\$ 8.00<br>\$ 57.00 | \$ 69.00<br>\$ 118.00<br>\$ 45.00<br>\$ 8.00<br>\$ 55.00 | \$ 7.00<br>\$ 17.00<br>\$ 2.00<br>\$ -<br>\$ 2.00 | DISTRIBUTION OPERATION DISTRIBUTION MAINTENANCE ACCOUNTING CONSUMER INFORMATION ADMINISTRATION                                 | \$ 71.00<br>\$ 103.00<br>\$ 53.00<br>\$ 10.00<br>\$ 66.00 | \$ 65.00<br>\$ 92.00<br>\$ 52.00<br>\$ 10.00<br>\$ 62.00  | \$ 6.00<br>\$ 11.00<br>\$ 1.00<br>\$ -<br>\$ 4.00      |
| TOTAL PER CONSUMER   | \$ 323.00  | \$ 295.00  | \$ 28.00  | TOTAL PER CONSUMER   | \$ 303.00   | \$ 281.00   | \$22.00  |
|  | OTHER ST.  | ATISTICAL INI  | FORMATION   |  | OTHER ST  | ATISTICAL IN  | FORMATION  |
| NUMBER OF EMPLOYEES MILES OF LINE CONSUMERS BILLED MILES OF LINE PER EMPLOYEE CONSUMER PER EMPLOYEE DENSITY CONSUMERS PER MILE | 296<br>12,860<br>111,694<br>43.3<br>376<br>8,7           | 301<br>13,204<br>110,584<br>44.0<br>369<br>8.4           | (5)<br>(344)<br>1,110<br>(0.7)<br>7<br>0.3        | NUMBER OF EMPLOYEES MILES OF LINE CONSUMERS BILLED MILES OF LINE PER EMPLOYEE CONSUMER PER EMPLOYEE DENSITY CONSUMERS PER MILE | 2,049<br>89,097<br>826,969<br>43.7<br>405<br>9.3          | 2,032<br>88,785<br>816,168<br>43.5<br>400<br>9.2          | 17<br>312<br>10,801<br>0.2<br>5<br>0.1                 |

# 2008 KENTUCKY ELECTRIC COOPERATIVES MILES OF LINE STATISTICAL COMPARISONS

| COOPERATIVE         | 2008         | <u>2007</u>  | <u> 2006</u> | <u>2005</u>  | 2004         | % CHANGE<br>FROM 2004 |
|---------------------|--------------|--------------|--------------|--------------|--------------|-----------------------|
|                     |              | •            |              |              |              |                       |
| BIG SANDY           | 1,027        | 1,022        | 1,016        | 1,012        | 1,003        | 2.4 %                 |
| BLUE GRASS ENERGY   | 4,566        | 4,535        | 4,487        | 4,440        | 5,912        | -22.8 *               |
| CLARK ENERGY COOP   | 3,014        | 2,982        | 2,966        | 2,935        | 2,900        | 3.9                   |
| CUMBERLAND VALLEY   | 2,592        | 2,577        | 2,559        | 2,529        | 2,503        | 3.6                   |
| FARMERS             | 3,539        | 3,513        | 3,481        | 3,447        | 3,416        | 3.6                   |
| FLEMING-MASON       | 3,506        | 3,483        | 3,456        | 3,421        | 3,386        | 3.5                   |
| GRAYSON             | 2,466        | 2,454        | 2,437        | 2,416        | 2,400        | 2.8                   |
| INTER-COUNTY        | 3,687        | 3,630        | 3,572        | 3,502        | 3,409        | 8.2                   |
| JACKSON ENERGY      | 5,663        | 5,652        | 5,621        | 5,597        | 5,552        | 2.0                   |
| LICKING VALLEY      | 2,023        | 2,020        | 2,014        | 2,006        | 2,002        | 1.0                   |
| NOLIN               | 2,939        | 2,917        | 2,841        | 2,841        | 2,802        | 4.9                   |
| OWEN                | 4,451        | 4,428        | 4,400        | 4,940        | 4,836        | -8.0 **               |
| SALT RIVER ELECTRIC | 3,953        | 3,903        | 3,847        | 3,750        | 3,649        | 8.3                   |
| SHELBY ENERGY       | 2,078        | 2,065        | 2,025        | 2,008        | 1,978        | 5.1                   |
| SOUTH KENTUCKY      | 6,685        | 6,600        | 6,540        | 6,475        | 6,408        | 4.3                   |
| TAYLOR COUNTY       | <u>3,169</u> | <u>3,150</u> | <u>3,135</u> | <u>3,094</u> | <u>3,067</u> | <u>3.3</u>            |
| TOTAL EKPC          | 55,358       | 54,931       | 54,397       | 54,413       | 55,223       | 0.2 %                 |
| JACKSON PURCHASE    | 2,891        | 3,271        | 3,244        | 3,213        | 3,180        | -9.1 %                |
| KENERGY             | 6,997        | 6,974        | 6,944        | 6,915        | 6,859        | 2.0                   |
| MEADE COUNTY        | <u>2,972</u> | 2,959        | 2,937        | 2,893        | 2,866        | <u>3.7</u>            |
| TOTAL BIG RIVERS    | 12,860       | 13,204       | 13,125       | 13,021       | 12,905       | -0.3 %                |
| HICKMAN-FULTON      | 689          | 688          | 685          | 683          | 682          | 1.0 %                 |
| PENNYRILE           | 5,075        | 5,047        | 5,022        | 4,997        | 4,986        | 1.8                   |
| TRI-COUNTY          | 5,467        | 5,450        | 5,427        | 5,388        | 5,358        | 2.0                   |
| WARREN              | 5,615        | 5,584        | 5,556        | 5,504        | 5,449        | 3.0                   |
| WEST KENTUCKY       | 4,033        | <u>3,881</u> | 3,970        |              | 3,908        | <u>3.2</u>            |
| TOTAL TVA           | 20,879       | 20,650       | 20,660       | 20,512       | 20,383       | 2.4 %                 |
| OVERALL TOTAL       | 89,097       | 88,785       | 88,182       | 87,946       | 88,511       | 0.7 %                 |

<sup>\*</sup> NEW MAPPING SYSTEM INSTALLED IN 2005 - MORE ACCURATE COUNT

<sup>\*\*</sup> NEW MAPPING SYSTEM INSTALLED IN 2006 - MORE ACCURATE COUNT

2008
KENTUCKY ELECTRIC COOPERATIVES
TOTAL AVERAGE NUMBER OF CONSUMERS BILLED
STATISTICAL COMPARISONS

| COOPERATIVE         | <u>2008</u>   | <u>2007</u>   | <u>2006</u>   | <u>2005</u>    | <u>2004</u>    | % CHANGE<br>FROM 2004 |
|---------------------|---------------|---------------|---------------|----------------|----------------|-----------------------|
| BIG SANDY           | 13,211        | 13,138        | 13,089        | 12,888         | 12,705         | 4.0 %                 |
| BLUE GRASS ENERGY   | 54,694        | 54,021        | 53,175        | 52,068         | 50,774         | 7.7                   |
| CLARK ENERGY COOP   | 26,006        | 25,801        | 25,508        | 25,151         | 24,796         | 4.9                   |
| CUMBERLAND VALLEY   | 23,695        | 23,487        | 23,303        | 23,029         | 25,224         | -6.1                  |
| FARMERS             | 24,226        | 23,729        | 23,377        | 23,013         | 22,680         | 6.8                   |
| FLEMING-MASON       | 23,804        | 23,687        | 23,364        | 22,993         | 22,580         | 5.4                   |
| GRAYSON             | 15,722        | 15,631        | 15,517        | 15,302         | 15,113         | 4.0                   |
| INTER-COUNTY        | 25,353        | 25,185        | 24,869        | 24,501         | 24,059         | 5.4                   |
| JACKSON ENERGY      | 51,644        | 51,244        | 50,884        | 50,438         | 49,926         | 3.4                   |
| LICKING VALLEY      | 17,453        | 17,272        | 17,085        | 16,921         | 16,794         | 3.9                   |
| NOLIN               | 31,885        | 31,422        | 30,649        | 29,780         | 29,050         | 9.8                   |
| OWEN                | 56,794        | 56,290        | 55,141        | 53,598         | 51,811         | 9.6                   |
| SALT RIVER ELECTRIC | 46,071        | 45,453        | 44,979        | 42,997         | 41,458         | 11.1                  |
| SHELBY ENERGY       | 15,191        | 14,990        | 15,053        | 14,725         | 14,087         | 7.8                   |
| SOUTH KENTUCKY      | 66,276        | 62,408        | 61,869        | 60,922         | 60,128         | 10.2                  |
| TAYLOR COUNTY       | <u>25,078</u> | <u>24,792</u> | <u>24,483</u> | <u>24,089</u>  | <u>23,646</u>  | <u>6.1</u>            |
| TOTAL EKPC          | 517,103       | 508,550       | 502,345       | 492,415        | 484,831        | 6.7 %                 |
| JACKSON PURCHASE    | 29,092        | 28,747        | 28,461        | 28,105         | 27,704         | 5.0 %                 |
| KENERGY             | 54,736        | 54,337        | 53,860        | 53,264         | 52,592         | 4.1                   |
| MEADE COUNTY        | <u>27,866</u> | <u>27,500</u> | 27,008        | <u> 26,515</u> | <u> 26,118</u> | <u>6.7</u>            |
| TOTAL BIG RIVERS    | 111,694       | 110,584       | 109,329       | 107,884        | 106,414        | 5.0 %                 |
| HICKMAN-FULTON      | 3,782         | 3,770         | 3,736         | 3,739          | 3,752          | 0.8 %                 |
| PENNYRILE           | 46,419        | 46,393        | 45,877        | 45,367         | 44,653         | 4.0                   |
| TRI-COUNTY          | 50,331        | 50,223        | 49,561        | 49,308         | 48,867         | 3.0                   |
| WARREN              | 59,317        | 58,591        | 57,431        | 56,187         | 55,079         | 7.7                   |
| WEST KENTUCKY       | <u>38,323</u> | 38,057        | 37,639        | 37,305         | 36,993         | <u>3.6</u>            |
| TOTAL TVA           | 198,172       | 197,034       | 194,244       | 191,906        | 189,344        | 4.7 %                 |
| OVERALL TOTAL       | 826,969       | 816,168       | 805,918       | 792,205        | 780,589        | 5.9 %                 |

2008
KENTUCKY ELECTRIC COOPERATIVES
TOTAL RESIDENTIAL REVENUES
STATISTICAL COMPARISONS

| COOPERATIVE         | <u>2008</u>       | <u>2007</u>       | 2006          | 2005              | <u>2004</u>       | % CHANGE<br>FROM 2004 |
|---------------------|-------------------|-------------------|---------------|-------------------|-------------------|-----------------------|
| BIG SANDY           | \$16,830,290      | \$15,853,498      | \$14,192,128  | \$13,672,178      | \$11,398,809      | 47.6 %                |
| BLUE GRASS ENERGY   | 75,708,257        | 68,578,375        | 61,513,915    | 59,969,633        | 49,545,080        | 52.8                  |
| CLARK ENERGY COOP   | 31,325,955        | 29,717,098        | 27,327,922    | 26,203,306        | 22,143,145        | 41.5                  |
| CUMBERLAND VALLEY   | 29,511,472        | 27,983,567        | 24,948,723    | 22,940,517        | 19,173,225        | 53.9                  |
| FARMERS             | 27,656,329        | 26,450,827        | 23,743,770    |                   |                   | 44.0                  |
| FLEMING-MASON       | 27,400,745        | 23,419,768        | 20,907,145    |                   | 18,430,538        | 48.7                  |
| GRAYSON             | 19,326,239        | 18,131,615        | 16,223,795    | 16,244,690        | 13,861,532        | 39.4                  |
| INTER-COUNTY        | 35,150,797        | 33,391,723        | 28,203,005    | 27,321,723        | 24,142,722        | 45.6                  |
| JACKSON ENERGY      | 76,960,445        | 66,382,819        | 60,198,185    | 61,806,841        | 51,653,862        | 49.0                  |
| LICKING VALLEY      | 19,074,236        | 18,876,065        | 18,373,586    | 16,742,467        | 14,263,281        | 33.7                  |
| NOLIN               | 44,216,213        | 39,672,514        | 33,591,739    | 34,383,316        | 28,076,279        | 57.5                  |
| OWEN                | 68,931,115        | 66,458,715        | 58,817,668    | 55,724,664        | 47,113,587        | 46.3                  |
| SALT RIVER ELECTRIC | 59,871,443        | 57,330,349        | 49,796,107    | 48,015,562        | 39,732,157        | 50.7                  |
| SHELBY ENERGY       | 21,021,450        | 19,684,110        | 17,784,401    | 17,533,652        | 14,268,131        | 47.3                  |
| SOUTH KENTUCKY      | 76,437,150        | 67,646,098        | 59,324,021    | 55,802,486        | 48,838,870        | 56.5                  |
| TAYLOR COUNTY       | <u>26,494,596</u> | <u>25,472,592</u> | 22,725,012    | <u>22,031,517</u> | <u>19,056,126</u> | <u>39.0</u>           |
| TOTAL EKPC          | \$655,916,732     | \$605,049,733     | \$537,671,122 | \$521,498,561     | \$440,905,586     | 48.8 %                |
| JACKSON PURCHASE    | \$27,275,780      | \$25,697,996      | \$23,847,988  | \$24,496,967      | \$22,841,472      | 19.4 %                |
| KENERGY             | 50,078,902        | 50,041,715        | 43,955,864    | 45,323,132        | 42,207,989        | 18.6                  |
| MEADE COUNTY        | 24,196,053        | 21,982,113        | 20,297,372    | 20,436,215        | <u>18,944,590</u> | <u>27.7</u>           |
| TOTAL BIG RIVERS    | \$101,550,735     | \$97,721,824      | \$88,101,224  | \$90,256,314      | \$83,994,051      | 20.9 %                |
| HICKMAN-FULTON      | \$5,096,364       | \$4,576,311       | \$4,311,951   | \$4,190,389       | \$4,000,868       | 27.4 %                |
| PENNYRILE           | 58,879,793        | 51,817,219        | 48,880,787    | 44,135,641        | 41,000,292        | 43.6                  |
| TRI-COUNTY          | 59,815,321        | 54,981,186        | 52,780,772    | 47,841,610        | 44,800,930        | 33.5                  |
| WARREN              | 79,120,223        | 69,955,053        | 64,825,495    | 60,315,980        | 55,933,218        | 41.5                  |
| WEST KENTUCKY       | <u>51,409,815</u> | <u>45,691,877</u> | 41,190,556    | <u>38,609,978</u> | <u>35,207,258</u> | <u>46.0</u>           |
| TOTAL TVA           | \$254,321,516     | \$227,021,646     | \$211,989,561 | \$195,093,598     | \$180,942,566     | 40.6 %                |
| OVERALL TOTAL       | \$1,011,788,983   | \$929,793,203     | \$837,761,907 | \$806,848,473     | \$705,842,203     | 43.3 %                |

# 2008 KENTUCKY ELECTRIC COOPERATIVES OPERATING EXPENSE STATISTICAL COMPARISONS

AVERAGE ANNUAL BASIS

|                              |              |              |              |            | AININOAL DA |             |          | A11 11 11 11 11 11 11 11 11 11 11 11 11 | 110 FC | RESIDENTIAL | TOTAL       | AVERAGE        |
|------------------------------|--------------|--------------|--------------|------------|-------------|-------------|----------|---|--------|-------------|-------------|----------------|
|                              | DISTRIBUTION | DISTRIBUTION | TOTAL        | CONSUMER   | CONSUMER    | ADM, & GEN. | TOTAL    | NUMBER                                  | MILES  |             |             | MONTHLY        |
| COOPERATIVE NAME             | OPERATION    | MAINTENANCE  | OP. & MAINT. | ACCOUNTING | INFORMATION | EXPENSE     | EXPENSE  | OF                                      | OF     | CONSUMERS   | RESIDENTIAL |                |
|                              | PER MILE     | PER MILE     | PER MILE     | PER MILE   | PER MILE    | PER MILE    | PER MILE | EMPLOYEES                               | LINE   | BILLED      | REVENUES    | RES'L REV      |
| BIG SANDY RECC               | 991          | 952          | 1,943        | 566        | 103         | 1,132       | 3,744    | 41                                      | 1,027  | 12,083      | 16,830,290  | 116.1          |
| BLUE GRASS ENERGY COOP       | 587          | 1,114        | 1,701        | 551        | 264         | 970         | 3,486    | 113                                     | 4,566  | 52,345      | 75,708,257  | 120.5          |
| CLARK ENERGY COOP            | 526          | 690          | 1,216        | 440        | 60          | 466         | 2,182    | 50                                      | 3,014  | 24,344      | 31,325,955  | 107.2          |
| CUMBERLAND VALLEY ELECTRIC   | 430          | 896          | 1,326        | 622        | 73          | 421         | 2,442    | 56                                      | 2,592  | 22,204      | 29,511,472  | 110.8          |
| FARMERS RECC                 | 301          | 643          | 944          | 308        | 34          | 507         | 1,793    | 69                                      | 3,539  | 22,490      | 27,656,329  | 102.5<br>128.8 |
| FLEMING-MASON ENERGY         | 414          | 672          | 1,086        | 455        | 48          | 387         | 1,976    | 51                                      | 3,506  | 17,730      | 27,400,745  |                |
| GRAYSON RECC                 | 440          | 861          | 1,301        | 357        | 96          | 625         | 2,379    | 45                                      | 2,466  | 14,422      | 19,326,239  | 111.7          |
| INTER-COUNTY ENERGY          | 543          | 419          | 962          | 481        | 144         | 474         | 2,061    | 63                                      | 3,687  | 23,989      | 35,150,797  | 122.1          |
| JACKSON ENERGY COOP          | 666          | 848          | 1,514        | 575        | 73          | 675         | 2,837    | 133                                     | 5,663  | 48,008      | 76,960,445  | 133.6          |
| LICKING VALLEY RECC          | 682          | 802          | 1,484        | 345        | 35          | 466         | 2,330    | 46                                      | 2,023  | 16,274      | 19,074,236  | 97.7           |
| NOLIN RECC                   | 966          | 1,009        | 1,975        | 694        | 282         | 835         | 3,786    | 93                                      | 2,939  | 29,814      | 44,216,213  | 123.6          |
| OWEN EC                      | 995          | 829          | 1,824        | 740        | 115         | 715         | 3,394    | 145                                     | 4,451  | 54,427      | 68,931,115  | 105.5          |
| SALT RIVER ELECTRIC          | 583          | 769          | 1,352        | 513        | 117         | 676         | 2,658    | 76                                      | 3,953  | 43,211      | 59,871,443  | 115.5          |
| SHELBY ENERGY COOP           | 614          | 716          | 1,330        | 344        | 66          | 417         | 2,157    | 30                                      | 2,078  | 14,748      | 21,021,450  | 118.8          |
| SOUTH KENTUCKY RECC          | 506          | 843          | 1,349        | 605        | 129         | 535         | 2,618    | 170                                     | 6,685  | 60,649      | 76,437,150  | 105.0          |
| TAYLOR COUNTY RECC           | 475          | 483          | 958          | 309        | 24          | 412         | 1,703    | 55                                      | 3,169  | 22,301      | 26,494,596  | 99.0           |
| EKPC GROUP AVERAGE           | 607          | 784          | 1,391        | 494        | 104         | 607         | 2,596    | 77                                      | 3,460  | 29,940      | 40,994,796  | 114.1          |
| JACKSON PURCHASE ENERGY      | 785          | 1,389        | 2,174        | 403        | 91          | 735         | 3,403    | 78                                      | 2,891  | 26,038      | 27,275,780  | 87.3           |
| KENERGY CORP                 | 610          | 1,369        | 1,979        | 430        | 47          | 383         | 2,839    | 155                                     | 6,997  | 45,039      | 50,078,902  | 92.7           |
| MEADE COUNTY RECC            | 675          | 863          | 1,538        | 431        | 75          | 459         | 2,503    | 63                                      | 2,972  | 25,808      | 24,196,053  | 78.1           |
| BIG RIVERS GROUP AVERAGE     | 690          | 1,207        | 1,897        | 421        | 71          | 526         | 2,915    | 99                                      | 4,287  | 32,295      | 33,850,245  | 87.4           |
| HICKMAN-FULTON COUNTIES RECC | 571          | 1,334        | 1,905        | 302        | 27          | 648         | 2,882    | 13                                      | 689    | 2,928       | 5,096,364   | 145.1          |
| PENNYRILE RECC               | 750          | 750          | 1,500        | 402        | 91          | 512         | 2,505    | 125                                     | 5,075  | 37,084      | 58,879,793  | 132.3          |
| TRI-COUNTY EMC               | 755          | 700          | 1,455        | 460        | 101         | 359         | 2,375    | 140                                     | 5,467  | 40,717      | 59,815,321  | 122.4          |
| WARREN RECC                  | 856          | 940          | 1,796        | 570        | 148         | 982         | 3,496    | 155                                     | 5,615  | 49,453      | 79,120,223  | 133.3          |
| WEST KENTUCKY RECC           | 713          | 1,739        | 2,452        | 646        | 57          | 494         | 3,649    | 84                                      | 4,033  | 30,711      | 51,409,815  | 139.5          |
| TVA GROUP AVERAGE            | 729          | 1,093        | 1,822        | 476        | 85          | 599         | 2,982    | 103                                     | 4,176  | 32,179      | 50,864,303  | 131.7          |
| OVERALL AVERAGE              | 643          | 901          | 1,544        | 481        | 96          | 595         | 2,716    | 85                                      | 3,712  | 30,701      | 42,157,874  | 114.4          |

# 2008 KENTUCKY ELECTRIC COOPERATIVES OPERATING EXPENSE STATISTICAL COMPARISONS

| AVERAGE ANNUAL BASIS | S | SI | Δ9 | R | ı | Δ | 11 | N | N | Δ | F | Δ ( | ER | Δ١ |
|----------------------|---|----|----|---|---|---|----|---|---|---|---|-----|----|----|
|----------------------|---|----|----|---|---|---|----|---|---|---|---|-----|----|----|

|                              |              | DISTRIBUTION | TOTAL        | CONSUMER     | CONSUMER     | ADM, & GEN.  | TOTAL        | NUMBER    | MILES | NUMBER OF | MILES OF | CONSUMERS | DENSITY   |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------|-------|-----------|----------|-----------|-----------|
|                              | DISTRIBUTION |              | OP. & MAINT. | ACCOUNTING   | INFORMATION  | EXPENSE      | EXPENSE      | OF        | OF    | CONSUMERS | LINE PER | PER       | CONSUMERS |
| COOPERATIVE NAME             | OPERATION    | MAINTENANCE  |              | PER CONSUMER | PER CONSUMER | PER CONSUMER | PER CONSUMER | EMPLOYEES | LINE  | BILLED    | EMPLOYEE | EMPLOYEE  | PER MILE  |
|                              | PER CONSUMER | PER CONSUMER | PER CONSUMER |              | 8            | 88           | 291          | 41        | 1,027 | 13.211    | 25.0     | 322       | 12.8      |
| BIG SANDY RECC               | 77           | 74           | 151          | 44           | 22           | 81           | 291          | 113       | 4.566 | 54,694    | 40.4     | 484       | 12.0      |
| BLUE GRASS ENERGY COOP       | 49           | 93           | 142          | 46<br>51     | 7            | 54           | 253          | 50        | 3,014 | 26,006    | 60.3     | 520       | 8.6       |
| CLARK ENERGY COOP            | 61           | 80           | 141          | 68           | 8            | 46           | 267          | 56        | 2,592 | 23,695    | 46.3     | 423       | 9.1       |
| CUMBERLAND VALLEY ELECTRIC   | 47           | 98           | 145          | 45           | 5            | 74           | 262          | 69        | 3,539 | 24,226    | 51.3     | 351       | 6.8       |
| FARMERS RECC                 | 44           | 94           | 138          |              | 7            | 57           | 291          | 51        | 3,506 | 23,804    | 68.8     | 467       | 6.8       |
| FLEMING-MASON ENERGY         | 61           | 99           | 160          | 67           |              | 98           | 373          | 45        | 2,466 | 15,722    | 54.8     | 349       | 6.4       |
| GRAYSON RECC                 | 69           | 135          | 204          | 56           | 15           | 69           | 300          | 63        | 3,687 | 25,353    | 58.5     | 402       | 6.9       |
| INTER-COUNTY ENERGY          | 79           | 61           | 140          | 70           | 21           |              |              | 133       | 5,663 | 51,644    | 42.6     | 388       | 9,1       |
| JACKSON ENERGY COOP          | 73           | 93           | 166          | 63           | 8            | 74           | 311          | 46        | 2.023 | 17,453    | 44.0     | 379       | 8.6       |
| LICKING VALLEY RECC          | 79           | 93           | 172          | 40           | 4            | 54           | 270          | 93        | 2,023 | 31,885    | 31.6     | 343       | 10.9      |
| NOLIN RECC                   | 89           | 93           | 182          | 64           | 26           | 77           | 349          |           |       | 56,794    | 30.7     | 392       | 12.8      |
| OWEN EC                      | 78           | 65           | 143          | 58           | 9            | 56           | 266          | 145       | 4,451 | 46.071    | 52.0     | 606       | 11.7      |
| SALT RIVER ELECTRIC          | 50           | 66           | 116          | 44           | 10           | 58           | 228          | 76        | 3,953 | 15,191    | 69.2     | 506       | 7.3       |
| SHELBY ENERGY COOP           | 84           | 98           | 182          | 47           | 9            | 57           | 295          | 30        | 2,078 |           | 39.3     | 390       | 9.9       |
| SOUTH KENTUCKY RECC          | 51           | 85           | 136          | 61           | 13           | 54           | 264          | 170       | 6,685 | 66,276    | 57.6     | 456       | 7.9       |
| TAYLOR COUNTY RECC           | 60           | 61           | 121          | 39           | 3            | 52           | 215          | 55        | 3,169 | 25,078    | 57.6     | 456       | 1.5       |
| EKPC GROUP AVERAGE           | 66           | 87           | 153          | 54           | 11           | 66           | 284          | 77        | 3,460 | 32,319    | 44.9     | 420       | 9,3       |
| JACKSON PURCHASE ENERGY      | 78           | 138          | 216          | 40           | 9            | 73           | 338          | 78        | 2,891 | 29,092    | 37.1     | 373       | 10.1      |
| KENERGY CORP                 | 78           | 175          | 253          | 55           | 6            | 49           | 363          | 155       | 6,997 | 54,736    | 45.1     | 353       | 7.8       |
| MEADE COUNTY RECC            | 72           | 92           | 164          | 46           | 8            | 49           | 267          | 63        | 2,972 | 27,866    | 47.0     | 442       | 9.4       |
| BIG RIVERS GROUP AVERAGE     | 76           | 135          | 211          | 47           | 8            | 57           | 323          | 99        | 4,287 | 37,231    | 43.3     | 376       | 8.7       |
| HICKMAN-FULTON COUNTIES RECC | 104          | 243          | 347          | 55           | 5            | 118          | 525          | 13        | 689   | 3,782     | 53.0     | 291       | 5.5       |
| PENNYRILE RECC               | 82           | 82           | 164          | 44           | 10           | 56           | 274          | 125       | 5,075 | 46,419    | 40.6     | 371       | 9.2       |
|                              | 82           | 76           | 158          | 50           | 11           | 39           | 258          | 140       | 5,467 | 50,331    | 39.0     | 360       | 9.2       |
| TRI-COUNTY EMC               | 81           | 89           | 170          | 54           | 14           | 93           | 331          | 155       | 5,615 | 59,317    | 36.2     | 383       | 10.6      |
| WARREN RECC                  | 75           | 183          | 258          | 68           | 6            | 52           | 384          | 84        | 4,033 | 38,323    | 48.0     | 456       | 9.5       |
| TVA GROUP AVERAGE            | 85           | 135          | 220          | 54           | 9            | 72           | 355          | 103       | 4,176 | 39,634    | 40.5     | 385       | 9,5       |
| OVERALL AVERAGE              | 71           | 103          | 174          | 53           | 10           | 66           | 303          | 85        | 3,712 | 34,457    | 43.7     | 405       | 9.3       |

| 1 2    |           |   | Pag               |
|--------|-----------|---|-------------------|
| 3      |           | Shelby Energy Cooperative                         |                   |
|        |           | Case No. 2009-00410                               |                   |
| 4      |           | Capitalization Policies                           |                   |
| 5<br>6 |           | Capitanzation 1 oncies                            | Benefits          |
| 7      |           |   | Distribution      |
| 8      |           |   |                   |
| 9      | 107.20    | Construction work in progress                     | 257,399           |
| 10     | 108.80    | Retirement work in progress                       | 32,863            |
| 11     | 143.00    | Receivable from others                            | 723               |
| 12     | 163.00    | Stores  | 24,971            |
| 13     | 184.00    | Transportation                                    | 60                |
| 14     | 242.52    | Employee sick leave/vacation                      |                   |
| 15     | 580.00    | Operations  | 20,912            |
| 16     | 583.00    | Overhead line                                     | 19,746            |
| 17     | 584.00    | Underground                                       | 0                 |
| 18     | 586.00    | Meter   | 53,135            |
| 19     | 587.00    | Installations                                     | 12,746            |
| 20     | 588.00    | Miscellaneous distribution                        | 13,539            |
| 21     | 590.00    | Maintenance                                       | 4,051             |
| -22    | 593.00    | Overhead line                                     | 168,219           |
| 23     | 594.00    | Underground                                       | 8,976             |
| 24     | 595.00    | Transformers                                      | 10                |
| 25     | 597.00    | Street lights                                     | 1,116             |
| 26     | 598.00    | Miscellaneous maintenance                         | 15,823            |
| 27     | 901.00    | Supervision                                       | 11,311            |
| 28     | 902.00    | Meter reading                                     | 14,105            |
| 29     | 903.00    | Consumer records                                  | 21,691            |
| 30     | 904.00    | Consumer records                                  | 4,942             |
| 31     | 907.00    | Supervision, Customer service                     | 6,885             |
| 32     | 908.00    | Consumer accounting                               | 15,841            |
| 33     | 909.00    | Consumer information                              | 1,691             |
| 34     | 910.00    | Misc customer information                         | 2,620             |
| 35     | 912.00    | Customer demonstration                            | 599               |
| 36     | 920.00    | Administrative                                    | 46,071            |
| 37     | 926.00    | Employee benefits                                 | 4,264             |
| 38     | 930.00    | Miscellaneous                                     | 8,863             |
| 39     | 935.00    | Maintenance general plant                         | <u>315</u>        |
| 40     |           |   | 772 407           |
| 41     |           | Total   | 773,487           |
| 42     | 5 ~·      |   |                   |
| 43     | Benefits  | include the following:                            | 227.000           |
| 44     |           | Medical insurance                                 | 327,090           |
| 45     |           | Life insurance                                    | 6,518             |
| 46     |           | R & S retirement                                  | 243,802<br>32,275 |
| 47     |           | Savings plan 401(k)                               |                   |
| 48     |           | Payroll taxes                                     | <u>169,736</u>    |
| 49     |           |   | 779,421           |
| 50     |           |   | 117,421           |
| 51     | Challer - | occumulates all benefits, then allocates these to | accounte haced    |
| 52     |           | the distribution for the month. The above is t    |                   |

Shelby accumulates all benefits, then allocates these to accounts based on the labor distribution for the month. The above is the actual allocation for the test year for the above benefits

The total number of employees is 32, with an average benefit cost of \$24,171.

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Exhibit 21 page 1 of 3 Witness: Debbie Martin Shelby Energy Cooperative

Shelby Energy Cooperative Case No. 2009-00410 July 31, 2009

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Attached is the Equity Management Plan.

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### Capital credits were paid as follows:

| 15 |             | <u>General</u> | <u>Estates</u> | <u>Total</u> |
|----|-------------|----------------|----------------|--------------|
| 16 |             |                |                |              |
| 17 | 2009        | \$0            | \$9,603        | \$9,603      |
| 18 | 2008        | 321,395        | 205,281        | 526,676      |
| 19 | 2007        | 315,943        | 101,647        | 417,590      |
| 20 | 2006        | 425,235        | 130,449        | 555,684      |
| 21 | 2005        | 403,245        | 151,660        | 554,905      |
| 22 | 2004        | 0              | 118,895        | 118,895      |
| 23 | Prior years | 1,180,249      | 1,549,684      | 2,729,933    |
| 24 |             |                |                |              |
| 25 | Total       | \$2,646,067    | \$2,267,219    | \$4,913,286  |

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### SHELBY ENERGY COOPERATIVE, INC Shelbyville, Kentucky

### POLICY NO. 303

### **EQUITY MANAGEMENT**

#### I. OBJECTIVE

The objective of this policy is to devise an Equity Management Plan that will assure the financial integrity of Shelby Energy Cooperative at all times and develop an approach to long-range financial planning that will allow the refund of capital credits to members as provided in the bylaws.

### II. CONTENT

- A. Financial planning is required to:
  - 1. Provide adequate working capital and cash reserves;
  - 2. Provide adequate funds for debt retirement;
  - 3. Provide adequate funds to maintain all facilities at the highest operational level consistent with sound economic practices;
  - 4. Provide adequate funds for additions to plant;
  - 5. Maintain rates at a level competitive with rates of other energy suppliers adjacent to the Cooperative's service area.
- B. The Cooperative will make annual payments of capital credits on the capital of the Cooperative provided the following conditions are met:
  - The Board of Directors shall determine that the financial condition of the Cooperative will not be impaired, and that satisfactory progress is being made toward the Cooperative's equity management goals as set forth below.
  - 2. The Cooperative's equity management goals shall be to operate the Cooperative's business with annual revenue and expense levels so as to:
    - a. Maintain a Times Interest Earned Ratio (TIER) of 1.5x to 2.0x.
    - b. Achieve in proper time and maintain an Equity Ratio (equity as a percent of total capitalization) at or near the optimum level that is determined each year from calculations using the following variables:
      - \* The average compound rate of growth for the Cooperative's total capital structure;

- \* The blended cost of interest on the Cooperative's outstanding long-term debt;
- \* The repayment of capital credits to the Cooperative's members based on a cycle that will pay annual capital credits equal to or less than five percent (5%) of the total of member's equity at calendar year end; and
- \* The TIER level as stated in paragraph B2a above.
- 3. Expend all efforts to achieve and maintain a rate of return upon the total capital structure of the Cooperative equal to that necessary to attain the stated TIER goal and optimum equity goal.
- 4. Achieve an equity capitalization target range of thirty percent (30%) to forty percent (40%), not including Generation and Transmission Cooperative Credits (GTCC's).
- C. All payments of general and special capital credit refunds will be authorized at least annually by the Board of Directors, and:
  - 1. Will be in total amounts not exceeding those amounts permitted by the mortgage requirements of Shelby Energy's lenders;
  - Will be in such large amounts as approved by RUS and CFC pursuant to a request made by the Cooperative's Board of Directors and supported by an Equity Management Plan which indicates satisfactory progress toward the Cooperative's equity management goals;
  - Capital credit refunds to the estates of deceased members will continue to be discounted, if all loan requirements of Shelby Energy's lenders are being met.

### III. RESPONSIBILITY

It is recognized there are a number of variables that interact and result in a financial condition. Of these variables, the rate of plant growth and the cost of debt capital are relatively uncontrollable items.

- A. The President and Chief Executive Officer is responsible for the development and maintenance of the Equity Management Plan.
- B. The Board of Directors is responsible for adopting and periodic review of the Equity Management Plan.

C. The discretionary powers of capital credit repayments shall remain with the Board of Directors as stated in the bylaws, and this policy shall not diminish that right.

Adopted:

September 22, 1966

Revised:

January 31, 1974

October 23, 1986 June 22, 1989 May 28, 1998

September 22, 2005

Reviewed:

August 26, 1999