

MATHIS, RIGGS & PRATHER, P.S.C.
ATTORNEYS AT LAW
500 MAIN STREET, SUITE 5
SHELBYVILLE, KENTUCKY 40065

C. LEWIS MATHIS, JR.
T. SHERMAN RIGGS
DONALD. T. PRATHER
NATHAN T. RIGGS

TELEPHONE: (502) 633-5220
FAX: (502) 633-0667

E-MAIL: mrp@iglou.com

October 25, 2011

Mr. Jeff Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

RECEIVED
OCT 28 2011
PUBLIC SERVICE
COMMISSION

Re: Shelby Energy Cooperative PSC Case No. 2011-00391

Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above-referenced case an original and five copies of Shelby Energy Cooperative, Inc.'s Response to Commission Staff's Request for Information.

Please file the original to the record of this action and return the file-stamped copy to me in the enclosed self-addressed, stamped envelope.

Thank you for your attention to this matter.

Very truly yours,

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

By: Donald T. Prather
Donald T. Prather

By Paul McElain

DTP/pm
Enclosures

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

OCT 28 2011

PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION OF SHELBY ENERGY
COOPERATIVE, INC. FOR AUTHORIZATION
TO BORROW UP TO \$3,300,000 FROM
THE NATIONAL RURAL UTILITIES
COOPERATIVE FINANCE CORPORATION TO
EXECUTE THE SECURED PROMISSORY NOTE
AND LOAN AGREEMENT, AND TO PREPAY
RURAL UTILITIES SERVICE 5% NOTES OF
THE SAME AMOUNT


CASE NO. 2011-00391

RESPONSE TO STAFF'S INFORMATION REQUEST

Comes Shelby Energy Cooperative, Inc. ("Shelby Energy"), by counsel, and respectfully submits the attached corrected expected RUS payoff and revised versions of Exhibits 2, 3 and 4 to the Application, which were requested by the Commission Staff at the Informal Conference.

The witness for all responses will be Denise Hume, Senior Accountant.

Mathis, Riggs & Prather, P.S.C.

By: 

Donald T. Prather
500 Main Street, Suite 5
Shelbyville, Kentucky 40065
Phone: (502) 633-5220
Fax: (502) 633-0667
Attorney for North Shelby Water
Company
e-mail: dprather@icglou.com

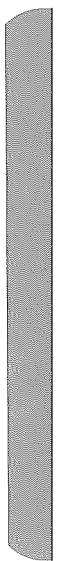
INDEX

Corrected RUS Payoff. Tab 1
Revised Exhibit 2 Tab 2
Revised Exhibit 3 Tab 3
Revised Exhibit 4 Tab 4



CORRECTED RUS PAYOFF

The current best estimate for the actual payoff of the RUS loans being refinanced is \$3,167,660.86.



**FINANCIAL EXHIBITS FOR SHELBY ENERGY COOPERATIVE, INC.
RUS NOTES EXECUTED
AS OF JULY 31, 2011**

NOTE NUMBER	INTEREST RATE	DATE	MATURITY	ORIGINAL BALANCE	INTEREST PAID FISCAL YEAR ENDING 12/31/2010	PRINCIPAL PAYMENTS	BALANCE
1B240	5.00%	3/7/1977	2/28/2012	\$ 840,000.00	\$ 4,691.28	\$ 49,263.16	\$ 38,910.22
1B250	5.00%	6/22/1979	5/31/2015	\$ 1,372,000.00	\$ 12,394.18	\$ 75,613.04	\$ 163,593.12
1B260	5.00%	2/5/1981	2/28/2016	\$ 936,000.00	\$ 14,324.88	\$ 45,568.18	\$ 235,697.72
1B270	5.00%	3/24/1983	2/28/2018	\$ 540,000.00	\$ 10,755.22	\$ 23,814.16	\$ 188,547.94
1B280	5.00%	10/23/1986	09/31/2021	\$ 1,269,000.00	\$ 34,060.42	\$ 46,998.98	\$ 628,792.16
1B290	5.00%	4/12/1990	2/28/2025	\$ 1,314,000.00	\$ 42,254.28	\$ 40,418.68	\$ 800,003.72
1B300	5.00%	8/27/1992	6/30/2027	\$ 1,783,000.00	\$ 63,203.20	\$ 48,805.76	\$ 1,209,624.08
1B310	3.50%	12/15/1994	12/31/2029	\$ 1,806,000.00	\$ 65,351.41	\$ 45,058.41	\$ 1,337,019.22
1B320	4.50%	4/1/1998	6/30/2017	\$ 3,437,000.00	\$ 112,362.44	\$ 84,946.39	\$ 2,679,734.64
1B330	4.75%	11/1/2005	11/1/2040	\$ 5,000,000.00	\$ 213,197.06	\$ 73,498.54	\$ 4,740,980.02
1B331	3.06%	11/1/2005	11/1/2040	\$ 3,000,000.00	\$ 112,568.25	\$ 51,370.14	\$ 2,869,958.10
1B334	1.98%	11/1/2005	11/1/2040	\$ 3,500,000.00	\$ 33,252.34	\$ 85,329.97	\$ 3,407,745.78
1B335	4.05%	11/1/2005	11/1/2040	\$ 5,308,000.00	\$ 105,901.28	\$ 69,941.28	\$ 5,238,058.72
				\$ 30,105,000.00	\$ 824,316.24	\$ 740,626.69	\$ 23,538,665.44

**FINANCIAL EXHIBITS FOR SHELBY ENERGY COOPERATIVE, INC.
FFB NOTES EXECUTED
AS OF JULY 31, 2011**

NOTE NUMBER	INTEREST RATE	DATE	MATURITY	ORIGINAL BALANCE	INTEREST PAID FISCAL YEAR ENDING 12/31/2010	PRINCIPAL PAYMENTS	BALANCE
H0010	4.51%	9/1/1999	1/3/2034	\$ 4,405,000.00	\$ 184,222.23	\$ 90,431.89	\$ 3,680,762.62
H0030	4.46%	5/1/2001	5/31/2035	\$ 12,898,000.00	\$ 546,261.02	\$ 245,706.94	\$ 11,290,015.72
				\$ 17,303,000.00	\$ 730,483.25	\$ 336,138.83	\$ 14,970,778.34

**FINANCIAL EXHIBITS FOR SHELBY ENERGY COOPERATIVE, INC.
CFC NOTES EXECUTED
AS OF JULY 31, 2011**

NOTE NUMBER	INTEREST RATE	DATE	MATURITY	ORIGINAL BALANCE	INTEREST PAID FISCAL YEAR ENDING 12/31/2010	PRINCIPAL PAYMENTS	BALANCE
9007	6.15%	3/1/1977	3/1/2012	\$ 360,000.00	\$ 2,881.56	\$ 25,046.05	\$ 19,813.47
9008	6.25%	6/22/1978	6/1/2013	\$ 588,000.00	\$ 7,942.30	\$ 39,123.35	\$ 85,915.89
9009	6.30%	2/5/1981	12/1/2015	\$ 422,000.00	\$ 9,688.47	\$ 24,216.12	\$ 129,817.12
9010	6.40%	6/23/1983	6/1/2018	\$ 244,000.00	\$ 7,111.10	\$ 11,093.83	\$ 100,919.05
9011	6.55%	10/23/1986	9/1/2021	\$ 560,825.00	\$ 20,688.15	\$ 19,923.13	\$ 299,719.28
9012	6.55%	4/12/1990	3/1/2025	\$ 580,412.00	\$ 25,141.31	\$ 16,262.44	\$ 373,121.84
9013	6.60%	8/27/1992	6/1/2027	\$ 787,629.00	\$ 37,966.37	\$ 19,340.85	\$ 564,729.95
9014	6.65%	12/15/1994	12/1/2029	\$ 774,000.00	\$ 39,890.89	\$ 15,868.24	\$ 593,614.51
9015	5.85%	4/1/1996	2/28/2033	\$ 1,473,000.00	\$ 78,037.65	\$ 26,109.38	\$ 1,216,277.53
				\$ 5,789,866.00	\$ 229,347.80	\$ 196,983.39	\$ 3,383,928.64

Shelby Energy Electric Cooperative, Inc.		
Statement of Operations		
ITEM		Twelve Months Ended July 31, 2011 (b)
1.	Operating Revenue and Patronage Capital	40,822,046
2.	Power Production Expense	0
3.	Cost of Purchased Power	31,226,025
4.	Transmission Expense	0
5.	Distribution Expense - Operation	1,547,777
6.	Distribution Expense - Maintenance	1,768,985
7.	Customer Accounts Expense	792,611
8.	Customer Service and Informational Expense	193,060
9.	Sales Expense	(6,201)
10.	Administrative and General Expense	983,126
11.	Total Operation & Maintenance Expense (2 thru 10)	21,783,275
12.	Depreciation and Amortization Expense	2,002,579
13.	Tax Expense - Property & Gross Receipts	0
14.	Tax Expense - Other	37,504
15.	Interest on Long-Term Debt	1,860,787
16.	Interest Charged to Construction - Credit	0
17.	Interest Expense - Other	42,546
18.	Other Deductions	2,735
19.	Total Cost of Electric Service (11 thru 18)	24,087,549
20.	Patronage Capital & Operating Margins (1 minus 19)	370,511
21.	Non Operating Margins - Interest	37,430
22.	Allowance for Funds Used During Construction	0
23.	Income (Loss) from Equity Investments	60,355
24.	Non Operating Margins - Other	(4,707)
25.	Generation and Transmission Capital Credits	0
26.	Other Capital Credits and Patronage Dividends	1,182,419
27.	Extraordinary Items	61,259
28.	Patronage Capital or Margins (20 thru 27)	1,707,267



USDA-RUS FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION	KY 00030
	PERIOD ENDED	07/2011
	BORROWER NAME AND ADDRESS	
Shelby Energy Cooperative 620 Old Finchville Rd, Shelbyville, KY 40065		

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making

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)

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

Denise Hume 10/26/11
Denise Hume, Senior Accountant DATE

Debra Martin 10/26/11
Debra J. Martin, President & CEO DATE

USDA-RUS FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION KY0030 PERIOD ENDED August 1, 2010 thru July 31, 2011	
Part C. Balance Sheet			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	71,488,370	29. Memberships	0
2. Construction Work in Progress	1,512,159	30. Patronage Capital	25,914,994
3. Total Utility Plant (1+2)	73,000,529	31. Operating Margins - Prior Years	184,303
4. Accum. Provision for Depreciation and Amort.	13,467,358	32. Operating Margins - Current Years	347,482
5. Net Utility Plant (3-4)	59,533,171	33. Non-Operating Margins	592,861
6. Non-Utility Property (Net)	0	34. Other Margins and Equities	833,283
7. Investments in Subsidiary Companies	953,635	35. Total Margins & Equities (29 thru 34)	27,872,922
8. Invest. In Assoc. Org. - Patronage Capital	9,423,068	36. Long-Term Debt - RUS (NET)	23,445,766
9. Invest. In Assoc. Org. - Other - General Funds	0	(Payments - Unapplied)	0
10. Invest. In Assoc. Org. - Other - Nongeneral Funds	699,384	37. Long-Term Debt - RUS - Econ. Devel. (Net)	0
11. Investments in Economic Development Projects	223,901	38. Long-Term Debt - FFB - RUS Guaranteed	14,970,778
12. Other Investments	95,410	39. Long-Term Debt - Other - RUS Guaranteed	0
13. Special Funds	0	40. Long-Term Debt Other (Net)	3,332,031
14. Total Other Property & Investments (6 thru 13)	11,395,398	41. Total Long-Term Debt (36 thru 40)	41,748,576
15. Cash - General Funds	1,002,693	42. Obligations Under Capital Leases - Noncurrent	0
16. Cash - Construction Funds - Trustee	0	43. Accumulated Operating Provisions	1,933,826
17. Special Deposits	425	44. Total Other Noncurrent Liabilities (42+43)	1,933,826
18. Temporary Investments	0	45. Notes Payable	0
19. Notes Receivable (Net)	0	46. Accounts Payable	4,012,518
20. Accounts Receivable - Sales of Energy (Net)	4,161,571	47. Consumers Deposits	541,615
21. Accounts Receivable - Other (Net)	232,387	48. Current Maturities Long-Term Debt	0
22. Materials and Supplies - Electric & Other	522,606	49. Current Maturities Long-Term Debt-Economic Development	0
23. Prepayments	82,222	50. Current Maturities Capital Leases	0
24. Other Current and Accrued Assets	11,810	51. Other Current and Accrued Liabilities	641,058
25. Total Current and Accrued Assets (15 thru 24)	6,013,714	52. Total Current & Accrued Liabilities (45 thru 51)	5,195,191
26. Regulatory Assets	0	53. Regulatory Liabilities	0
27. Other Deferred Debits	727,013	54. Other Deferred Credits	918,781
28. Total Assets and Other Debits (5+14+25+ thru 27)	77,669,295	55. Total Liabilities and Other Credits (35+41+44+52 thru 54)	77,669,295

USDA-RUS FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION			
	KY0030			
	PERIOD ENDED			
August 1, 2010 thru July 31, 2011				

Part A. Statement of Operations

ITEM	8/1/2009 Through 7/31/2010 (a)	8/1/2010 Through 7/31/2011 (b)	8/1/2010 through 8/31/2011 (c)	This Month (d)
1. Operating Revenue and Patronage Capital	37,454,360	40,822,046	40,134,950	3,340,200
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	28,758,092	31,226,025	29,666,558	3,112,737
4. Transmission Expense	0	0	0	0
5. Distribution Expense - Operation	1,451,558	1,547,777	1,487,562	135,890
6. Distribution Expense - Maintenance	1,737,084	1,768,985	1,920,236	171,062
7. Customer Accounts Expense	784,501	792,611	763,888	48,740
8. Customer Service and Informational Expense	182,086	193,060	217,042	21,087
9. Sales Expense	560	(6,201)	7,875	345
10. Administrative and General Expense	1,137,568	983,126	1,247,408	82,094
11. Total Operation & Maintenance Expense (2 thru 10)	34,051,449	36,505,383	35,310,569	3,571,954
12. Depreciation and Amortization Expense	1,887,095	2,002,579	2,019,637	172,899
13. Tax Expense - Property & Gross Receipts	0	0	0	0
14. Tax Expense - Other	33,538	37,504	36,504	3,091
15. Interest on Long-Term Debt	1,661,734	1,860,787	1,873,131	166,150
16. Interest Charged to Construction - Credit	0	0	0	0
17. Interest Expense - Other	72,775	42,546	48,920	3,286
18. Other Deductions	2,402	2,735	2,689	274
19. Total Cost of Electric Service (11 thru 18)	37,708,993	40,451,534	39,291,450	3,917,655
20. Patronage Capital & Operating Margins (1 minus 19)	(254,633)	370,512	843,500	(577,455)
21. Non Operating Margins - Interest	35,798	37,430	32,072	3,332
22. Allowance for Funds Used During Construction	0	0	0	0
23. Income (Loss) from Equity Investments	67,244	60,355	0	0
24. Non Operating Margins - Other	(25,087)	(4,707)	28,689	(501)
25. Generation and Transmission Capital Credits	1,211,316	1,182,419	0	0
26. Other Capital Credits and Patronage Dividends	65,744	61,259	68,544	0
27. Extraordinary Items	0	0	0	0
28. Patronage Capital or Margins (20 thru 27)	1,100,382	1,707,268	972,805	(574,623)

Part B. Data on Transmission and Distribution Plant

ITEM	Year-to-Date Last Year (a)	Year-to-Date This Year (b)
1. New Services Connected	92	91
2. Services Retired	68	37
3. Total Services in Place	17,450	17,112
4. Idle Services (Exclude Seasonals)	2,103	1,133
5. Miles Transmission	0.00	0.00
6. Miles Distribution - Overhead	1,889.70	1,889.43
7. Miles Distribution - Underground	201.76	206.15
8. Total Miles Energized (5+6+7)	2,091.460	2,095.575

The undersigned, **Denise Hume**, Senior Accountant of Shelby Energy Cooperative, Inc., being duly sworn, states that the responses herein are true and accurate to the best of my knowledge and belief formed after reasonable inquiry.

Dated: October 24, 2011.

SHELBY ENERGY COOPERATIVE, INC.

By: Denise Hume
Denise Hume, Senior Accountant

The foregoing was subscribed, sworn to and acknowledged before me by Denise Hume, Senior Accountant, on behalf of Shelby Energy Cooperative, Inc., this 26 day of October, 2011.



Notary Public, State at Large
My Comm. Expires: 2/1/15
I.D. #: 434455

CERTIFICATE OF SERVICE

I, the undersigned attorney, do hereby certify that an original and five copies of the foregoing responses were mailed to the following on October 26, 2011:

Original and 5 Copies

Mr. Jeff Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, Kentucky 40601



Donald T. Prather

