

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF SHELBY	)	
ENERGY COOPERATIVE, INC. FOR PASS-	)	CASE NO.
THROUGH OF EAST KENTUCKY POWER	)	2021-00117
COOPERATIVE, INC. WHOLESALE RATE	)	
ADJUSTMENT	)	

ORDER

On April 1, 2021, Shelby Energy Cooperative, Inc. (Shelby Energy) filed an application to pass through any wholesale rate adjustment granted to East Kentucky Power Cooperative, Inc. (EKPC) in Case No. 2021-00103<sup>1</sup> pursuant to KRS 278.455(2) and 807 KAR 5:007. On July 30, 2021, Shelby Energy filed a revised schedule of proposed rates for its pass-through of EKPC's wholesale rate adjustment based upon the Stipulation, Settlement Agreement and Recommendation filed in Case No. 2021-00103.

There are no intervenors in this proceeding. By Order entered April 15, 2021, Shelby Energy's proposed rates were suspended up to and including October 5, 2021. Shelby Energy responded to two requests for information from Commission Staff. This matter now stands submitted for a decision.

LEGAL STANDARD

The review of Shelby Energy's application is governed by KRS 278.455, which provides that authorized increases and decreases in a generation and transmission

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<sup>1</sup> Case No. 2021-00103, *Electronic Application of East Kentucky Power Cooperative, Inc. for a General Adjustment of Rates, Approval of Depreciation Study, Amortization of Certain Regulatory Assets, and Other General Relief* (filed Apr. 6, 2021).

(G&T) cooperative's rates may be flowed through to the customers of a distribution cooperative. Specifically, KRS 278.455(2) states, in relevant part, that an authorized increase or decrease in a G&T cooperative's rates:

[M]ay, at the distribution cooperative's discretion, be allocated to each class and within each tariff on a proportional basis that will result in no change in the rate design currently in effect. In the event of an increase in the wholesale rates and tariffs of the wholesale supplier by the Public Service Commission, the rates and tariffs of the distribution cooperative that have been revised on a proportional basis to result in no change in the rate design shall be authorized and shall become effective on the same date as those of the wholesale supplier.

The review of Shelby Energy's application is also governed by Commission regulation 807 KAR 5:007, which establishes the filing and notice requirements for a distribution cooperative when rates change to reflect a change in the rates of its wholesale supplier. Specifically, pursuant to 807 KAR 5:007, Section 1(3) and Section 2(2), Shelby Energy is one of the 16 owner-member cooperatives of EKPC, and in accordance with KRS 278.455, Shelby Energy seeks to pass-through the increase in EKPC's wholesale rates. In accordance with 807 KAR 5:007, Sections 1(4), 2(1), and 2(2), Shelby Energy included with its application proposed tariffs, a comparison of current and proposed rates, and a billing analysis to demonstrate that the rate change does not alter the rate design currently in effect and the revenue change has been allocated to each class and within each tariff on a proportional basis.

#### BACKGROUND

Shelby Energy is a not-for-profit, member-owned, rural electric distribution cooperative organized under KRS Chapter 279. Shelby Energy is engaged in the business of distribution retail electric power to 17,038 members in Anderson, Carroll,

Franklin, Henry, Jefferson, Oldham, Owen, Shelby, Spencer, and Trimble counties, Kentucky.<sup>2</sup> Shelby Energy does not own any electric generating facilities and is one of the 16-member cooperatives that own and receive wholesale power from EKPC. Shelby Energy's last general rate adjustment was effective July 31, 2017, in Case No. 2016-00434.<sup>3</sup>

### PROPOSED PASS-THROUGH RATE ADJUSTMENT

Shelby Energy proposed to pass through EKPC's proposed wholesale rate increase based upon the 2019 billing information for each rate class in Shelby Energy's Commission-approved tariffs. Shelby Energy choose 2019 because it corresponds to the 2019 test period used by EKPC in Case No. 2021-00103.<sup>4</sup> After adjustments for riders, billing adjustments, and other non-base-rate billing items,<sup>5</sup> Shelby Energy allocated EKPC's revenue increase first to each rate class and then to the individual base rate billing components of each class in order to maintain the current rate design in effect.<sup>6</sup> Except for retail members served under a special electric contract, no distinctions were made between retail rate classes taking service under EKPC's different wholesale rate classes. For special electric contracts, the retail rate increases were determined using specific data provided by EKPC and is consistent with the treatment applied to these

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<sup>2</sup> *Annual Report of Shelby Energy Cooperative, Inc. to the Public Service Commission of the Commonwealth of Kentucky for the Calendar Year Ended December 31, 2020* at 44 and 52.

<sup>3</sup> Case No. 2016-00434, *Application of Shelby Energy Cooperative, Inc. for an Increase in its Retail Rates* (Ky. PSC July 31, 2017).

<sup>4</sup> Application, Exhibit 6, Direct Testimony of John Wolfram (Wolfram Testimony) at 3.

<sup>5</sup> These limited adjustments include a base energy charge adjustment due to a Commission-approved Fuel Adjustment Clause roll-in effective February 1, 2020, and a few large commercial or industrial retail members who either switched rates or received revised contract demand amounts since 2019. Wolfram Testimony at 4.

<sup>6</sup> Wolfram Testimony at 3.

particular classes in EKPC's last rate case, Case No. 2010-00167.<sup>7</sup> For vacant rate classes, if the per-unit charges were identical to another existing rate class, the per-unit charge applied was equivalent.<sup>8</sup> Otherwise, a vacant rate classes' increase to each per-unit charge was the same percentage as the overall base rate increase for Shelby Energy.<sup>9</sup>

Shelby Energy stated that it considered the recent Commission Order in Case No. 2020-00095<sup>10</sup> (Kenergy Order), where the Commission clarified "proportional" in light of the language contained in KRS 278.455(2).<sup>11</sup> The Commission explained that proportional increases should result in an increase that would avoid undoing any past rate design and avoid distorting the current rate design while maintaining the spirit of the regulation.<sup>12</sup> The Commission stated the revenue generated from each class and each of the class's rate components must continue to contribute in the same proportion to the total distribution cooperative revenue.<sup>13</sup> To accomplish this, the Commission explained that each class's revenue contribution percentage should be determined based upon the most recent Commission-approved revenue allocation. The revenue contribution

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<sup>7</sup> *Id.* at 9. Case No. 2010-00167, *Application of East Kentucky Power Cooperative, Inc. for General Adjustment of Electric Rates* (Ky. PSC Jan. 14, 2011).

<sup>8</sup> Wolfram Testimony at 9.

<sup>9</sup> *Id.*

<sup>10</sup> Case No. 2020-00095, *Electronic Application of Kenergy Corp. for a Declaratory Order* (Ky. PSC Mar. 11, 2021).

<sup>11</sup> *Id.* at 4.

<sup>12</sup> Kenergy Order at 7.

<sup>13</sup> *Id.*

percentage is then applied to the total of the distribution cooperative's portion of the G&T increase.<sup>14</sup>

Shelby Energy stated that the proposed rates were originally calculated based on the allocations from the last rate Order, but asserted that the Kenergy Order method produced self-evidently unreasonable results if the last approved revenue allocation was not consistent with the test year.<sup>15</sup> Shelby Energy argued that due to changes in the customers mix within the rate calculation, specifically for those rates with a three-part rate design, the demand charge could actually decrease leading to the conclusion that it would be unreasonable to pass-through a wholesale increase in such a manner.<sup>16</sup> Thus, the pass-through was allocated consistent with the method approved in the pass-through filings for EKPC's last two rate cases so not to run afoul of the proportionality standard in KRS 278.455(2).<sup>17</sup> Shelby Energy further argued that although the Kenergy Order stated that any revenue distortions could be addressed through subsequent rate filings by a distribution cooperative, near-simultaneous rate cases would be filed due to the possible skewing effect between retail customer classes and such a result would be inconsistent with the enactment of KRS 278.455, where the intent is to avoid the need for each distribution cooperative to file a rate case.<sup>18</sup>

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<sup>14</sup> *Id.*

<sup>15</sup> Wolfram Testimony at 4–5.

<sup>16</sup> *Id.* at 5 and Shelby Energy's Response to Commission Staff's First Request for Information (Staff's First Request) (filed May 28, 2021), Item 2.

<sup>17</sup> Wolfram Testimony at 5–6.

<sup>18</sup> *Id.* at 8.

## DISCUSSION

Based upon the case record and being otherwise sufficiently advised, the Commission finds that, due to the \$36,355,254 annualized increase in EKPC's wholesale rates for service rendered on and after October 1, 2021, that was approved by the Commission in Case No. 2021-00103, Shelby Energy's request for approval of a pass-through rate increase pursuant to KRS 278.455(2) should be approved.

The Commission further finds that, based on sufficient evidence in the case records, Shelby Energy met its burden of proof, in accordance with KRS 278.455(2), that the rate change does not alter the rate design currently in effect, and that the revenue change has been allocated to each class and with each tariff on a proportional basis. This finding is based upon the Commission's review of the approach proposed by Shelby Energy to pass-through the increase of EKPC's wholesale rates and the allocation of such increase to its retail rates. The Commission recognizes the concern over using the last approved revenue allocation, especially given the anomalous results that are especially present in those distribution cooperatives that have not filed for a general rate increase for a substantial time.<sup>19</sup> In the Kenergy Order, the Commission expressed its concern that rate increases, particularly revenue neutral increases, may result in a change of revenue allocation due to the change in rate design. For example, if a distribution cooperative proposes a revenue neutral rate design based upon a test year that differs from a Commission-approved test year, the class revenue allocation may differ, thus

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<sup>19</sup> For example, the last general rate increase for Salt River Electric Cooperative (Salt River Electric) was September 28, 1993; hence, the necessary information needed to obtain the appropriate revenue allocation was not readily available. See Case No. 2021-00116, *Electronic Application of Salt River Electric Cooperative Corporation for Pass-Through of East Kentucky Power Cooperative, Inc. Wholesale Rate Adjustment*, Salt River Electric's Response to Commission Staff's First Request for Information (filed May 26, 2021), Items 3 and 4.

altering the approved allocation and rate design. Based upon this review, the Commission finds that Shelby Energy's approach complies with the provisions of KRS 278.455(2) and 807 KAR 5:007, Section 2(2), and therefore should be accepted. However, any revenue neutral case filed as a general rate case or under the Commission-approved streamlined process in Case No. 2018-00407<sup>20</sup> will apply the methodology outlined in the Kenergy Order.

In reviewing Shelby Energy's proposed revenue increase allocation under the settlement, the Commission notes that the proposed increase, \$1,443,780, differs from the \$1,445,990 increase allocated to Shelby Energy by EKPC.<sup>21</sup> Shelby Energy maintained that EKPC calculated member system rates on a wholesale rate class basis, and not by member system, while Shelby Energy's pass-through exhibit was prepared individually.<sup>22</sup> Shelby Energy further maintained that the difference was due to rounding and calculation of the fuel adjustment charge and environmental surcharge, and was negligible.<sup>23</sup> In its response, Shelby Energy did not provide adequate support to explain why the proposed increase for the member system differed from EKPC's calculation. While rounding errors may occur in rate design, the Commission expects Shelby Energy

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<sup>20</sup> Case No. 2018-00407, *A Review of the Rate Case Procedure for Electric Distribution Cooperatives* (Ky. PSC Dec. 20. 2019).

<sup>21</sup> Shelby Energy's Response to Commission Staff's Third Request for Information (filed Sept. 17, 2021), Item 1.

<sup>22</sup> *Id.*

<sup>23</sup> *Id.*

to explain and support why inputs differ between the wholesale provider and the member system.<sup>24</sup>

Based upon the Commission's authorization of a \$36,355,254 annualized increase in EKPC's wholesale rates effective for service rendered on and after October 1, 2021, Shelby Energy's wholesale power cost will increase by \$1,376,754, or 4.1 percent, annually.<sup>25</sup> Furthermore, based upon Shelby Energy's proposed pass-through analysis as filed on July 30, 2021, the Commission will maintain the dollar denominated differences between the estimated wholesale increase and member system increase in the determination of the rates.

IT IS THEREFORE ORDERED that:

1. The rates and charges proposed by Shelby Energy are denied.
2. The approach proposed by Shelby Energy to allocate its portion of the increase in wholesale rates authorized in Case No. 2021-00103 is accepted.
3. The rates and charges in Appendix B, attached hereto, are fair, just and reasonable for Shelby Energy to charge for service rendered on and after October 1, 2021.

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<sup>24</sup> For example, there is a billing determinant difference between the special contract rate for Owen Electric Cooperative, Inc. (Owen Electric) and EKPC, which results in differing revenues. See Case No. 2021-00115, *Electronic Application of Owen Electric Cooperative, Inc. for Pass-Through of East Kentucky Power Cooperative, Inc.'s Wholesale Rate Adjustment*, Owen Electric's Notice of Filing (filed July 30, 2021), Owen Electric filed Revised Exhibits of the proposed rates for the a pass-through of EKPC's wholesale rate adjustment, Staff 1-5-Owen-Settle-v2.xlsx and Case No. 2021-00103, *EKPC*, EKPC's Response to Commission Staff's Post-Hearing Requests for Information (filed Aug. 18, 2021), Item 10.

<sup>25</sup> See Appendix A.

4. Within 20 days of the date of this Order, Shelby Energy shall file with the Commission, using the Commission's electronic Tariff Filing System, its revised tariffs as set forth in this Order reflecting that they were approved pursuant to this Order.

5. This case is closed and removed from this Commission's docket.

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By the Commission



ATTEST:

  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2021-00117 DATED SEP 30 2021

<b>Rate B</b>				
<b>EKPC Member</b>	<b>Present</b>	<b>Final</b>	<b>Change</b>	<b>As Percent</b>
Big Sandy	\$ 341,987	\$ 350,744	\$ 8,757	2.6%
Blue Grass	\$ 10,757,845	\$ 11,035,263	\$ 277,418	2.6%
Clark	\$ -	\$ -	\$ -	
Cumberland Valley	\$ -	\$ -	\$ -	
Farmers	\$ -	\$ -	\$ -	
Fleming-Mason	\$ -	\$ -	\$ -	
Grayson	\$ 1,733,635	\$ 1,778,438	\$ 44,803	2.6%
Inter-County	\$ 3,853,087	\$ 3,952,115	\$ 99,029	2.6%
Jackson	\$ 3,261,843	\$ 3,345,035	\$ 83,192	2.6%
Licking Valley	\$ -	\$ -	\$ -	
Nolin	\$ 1,546,266	\$ 1,587,786	\$ 41,520	2.7%
Owen	\$ 15,691,907	\$ 16,113,009	\$ 421,101	2.7%
Salt River	\$ 7,849,642	\$ 8,048,401	\$ 198,759	2.5%
Shelby	\$ 9,959,655	\$ 10,210,443	\$ 250,788	2.5%
South Ky	\$ 3,987,957	\$ 4,089,565	\$ 101,608	2.5%
Taylor	\$ 831,893	\$ 853,592	\$ 21,699	2.6%
<b>Total</b>	<b>\$ 59,815,719</b>	<b>\$ 61,364,392</b>	<b>\$ 1,548,673</b>	<b>2.6%</b>

<b>Rate C</b>				
<b>EKPC Member</b>	<b>Present</b>	<b>Final</b>	<b>Change</b>	<b>As Percent</b>
Big Sandy	\$ -	\$ -	\$ -	
Blue Grass	\$ -	\$ -	\$ -	
Clark	\$ -	\$ -	\$ -	
Cumberland Valley	\$ -	\$ -	\$ -	
Farmers	\$ 2,875,951	\$ 2,951,756	\$ 75,804	2.6%
Fleming-Mason	\$ 7,135,643	\$ 7,323,237	\$ 187,594	2.6%
Grayson	\$ -	\$ -	\$ -	
Inter-County	\$ -	\$ -	\$ -	
Jackson	\$ 1,001,698	\$ 1,027,537	\$ 25,839	2.6%
Licking Valley	\$ -	\$ -	\$ -	
Nolin	\$ -	\$ -	\$ -	
Owen	\$ -	\$ -	\$ -	
Salt River	\$ -	\$ -	\$ -	
Shelby	\$ -	\$ -	\$ -	
South Ky	\$ 5,690,287	\$ 5,841,773	\$ 151,486	2.7%
Taylor	\$ 449,732	\$ 461,248	\$ 11,516	2.6%
	<b>\$ 17,153,311</b>	<b>\$ 17,605,550</b>	<b>\$ 452,238</b>	<b>2.6%</b>

<b>Rate E</b>				
<b>EKPC Member</b>	<b>Present</b>	<b>Final</b>	<b>Change</b>	<b>As Percent</b>
Big Sandy	\$ 15,194,682	\$ 15,929,940	\$ 735,258	4.8%
Blue Grass	\$ 75,472,253	\$ 79,160,079	\$ 3,687,826	4.9%
Clark	\$ 31,113,089	\$ 32,623,992	\$ 1,510,903	4.9%
Cumberland Valley	\$ 29,974,144	\$ 31,421,531	\$ 1,447,387	4.8%
Farmers	\$ 31,649,009	\$ 33,198,129	\$ 1,549,120	4.9%
Fleming-Mason	\$ 30,724,488	\$ 32,207,720	\$ 1,483,231	4.8%
Grayson	\$ 15,892,923	\$ 16,660,933	\$ 768,010	4.8%
Inter-County	\$ 29,674,742	\$ 31,124,764	\$ 1,450,022	4.9%
Jackson	\$ 58,279,094	\$ 61,105,989	\$ 2,826,895	4.9%
Licking Valley	\$ 17,298,143	\$ 18,132,437	\$ 834,294	4.8%
Nolin	\$ 43,686,325	\$ 45,822,867	\$ 2,136,542	4.9%
Owen	\$ 74,903,441	\$ 78,540,230	\$ 3,636,790	4.9%
Salt River	\$ 75,530,233	\$ 79,217,543	\$ 3,687,310	4.9%
Shelby	\$ 23,218,841	\$ 24,344,807	\$ 1,125,966	4.8%
South Ky	\$ 79,696,530	\$ 83,594,165	\$ 3,897,636	4.9%
Taylor	\$ 31,773,345	\$ 33,322,474	\$ 1,549,129	4.9%
	\$ 664,081,280	\$ 696,407,599	\$ 32,326,319	4.9%

<b>Rate G</b>				
<b>EKPC Member</b>	<b>Present</b>	<b>Final</b>	<b>Change</b>	<b>As Percent</b>
Big Sandy	\$ -	\$ -	\$ -	
Blue Grass	\$ 5,730,294	\$ 5,874,687	\$ 144,393	2.5%
Clark	\$ -	\$ -	\$ -	
Cumberland Valley	\$ -	\$ -	\$ -	
Farmers	\$ -	\$ -	\$ -	
Fleming-Mason	\$ 13,625,132	\$ 13,976,173	\$ 351,041	2.6%
Grayson	\$ -	\$ -	\$ -	
Inter-County	\$ -	\$ -	\$ -	
Jackson	\$ -	\$ -	\$ -	
Licking Valley	\$ -	\$ -	\$ -	
Nolin	\$ 6,160,848	\$ 6,328,734	\$ 167,886	2.7%
Owen	\$ -	\$ -	\$ -	
Salt River	\$ -	\$ -	\$ -	
Shelby	\$ -	\$ -	\$ -	
South Ky	\$ -	\$ -	\$ -	
Taylor	\$ -	\$ -	\$ -	
	\$ 25,516,274	\$ 26,179,595	\$ 663,320	2.6%

<b>Contract</b>				
<b>EKPC Member</b>	<b>Present</b>	<b>Final</b>	<b>Change</b>	<b>As Percent</b>
Big Sandy	\$ -	\$ -	\$ -	
Blue Grass	\$ -	\$ -	\$ -	
Clark	\$ -	\$ -	\$ -	
Cumberland Valley	\$ -	\$ -	\$ -	
Farmers	\$ -	\$ -	\$ -	
Fleming-Mason	\$ -	\$ -	\$ -	
Grayson	\$ -	\$ -	\$ -	
Inter-County	\$ -	\$ -	\$ -	
Jackson	\$ -	\$ -	\$ -	
Licking Valley	\$ -	\$ -	\$ -	
Nolin	\$ -	\$ -	\$ -	
Owen	\$ 41,786,791	\$ 42,872,821	\$ 1,086,030	2.6%
Salt River	\$ -	\$ -	\$ -	
Shelby	\$ -	\$ -	\$ -	
South Ky	\$ -	\$ -	\$ -	
Taylor	\$ -	\$ -	\$ -	
	<b>\$ 41,786,791</b>	<b>\$ 42,872,821</b>	<b>\$ 1,086,030</b>	<b>2.6%</b>

<b>Steam</b>				
<b>EKPC Member</b>	<b>Present</b>	<b>Final</b>	<b>Change</b>	<b>As Percent</b>
Big Sandy	\$ -	\$ -	\$ -	
Blue Grass	\$ -	\$ -	\$ -	
Clark	\$ -	\$ -	\$ -	
Cumberland Valley	\$ -	\$ -	\$ -	
Farmers	\$ -	\$ -	\$ -	
Fleming-Mason	\$ 10,716,264	\$ 10,994,937	\$ 278,674	2.6%
Grayson	\$ -	\$ -	\$ -	
Inter-County	\$ -	\$ -	\$ -	
Jackson	\$ -	\$ -	\$ -	
Licking Valley	\$ -	\$ -	\$ -	
Nolin	\$ -	\$ -	\$ -	
Owen	\$ -	\$ -	\$ -	
Salt River	\$ -	\$ -	\$ -	
Shelby	\$ -	\$ -	\$ -	
South Ky	\$ -	\$ -	\$ -	
Taylor	\$ -	\$ -	\$ -	
	<b>\$ 10,716,264</b>	<b>\$ 10,994,937</b>	<b>\$ 278,674</b>	<b>2.6%</b>

Rate TGP				
EKPC Member	Present	Final	Change	As Percent
Big Sandy	\$ -	\$ -	\$ -	
Blue Grass	\$ -	\$ -	\$ -	
Clark	\$ -	\$ -	\$ -	
Cumberland Valley	\$ -	\$ -	\$ -	
Farmers	\$ -	\$ -	\$ -	
Fleming-Mason	\$ 3,422,394	\$ 3,422,394	\$ -	0.0%
Grayson	\$ -	\$ -	\$ -	
Inter-County	\$ -	\$ -	\$ -	
Jackson	\$ -	\$ -	\$ -	
Licking Valley	\$ -	\$ -	\$ -	
Nolin	\$ -	\$ -	\$ -	
Owen	\$ -	\$ -	\$ -	
Salt River	\$ -	\$ -	\$ -	
Shelby	\$ -	\$ -	\$ -	
South Ky	\$ -	\$ -	\$ -	
Taylor	\$ 2,927,454	\$ 2,927,454	\$ -	0.0%
	\$ 6,349,849	\$ 6,349,849	\$ -	0.0%

Total				
EKPC Member	Present	Final	Change	As Percent
Big Sandy	\$ 15,536,669	\$ 16,280,684	\$ 744,015	4.8%
Blue Grass	\$ 91,960,392	\$ 96,070,029	\$ 4,109,637	4.5%
Clark	\$ 31,113,089	\$ 32,623,992	\$ 1,510,903	4.9%
Cumberland Valley	\$ 29,974,144	\$ 31,421,531	\$ 1,447,387	4.8%
Farmers	\$ 34,524,960	\$ 36,149,884	\$ 1,624,924	4.7%
Fleming-Mason	\$ 65,623,921	\$ 67,924,461	\$ 2,300,540	3.5%
Grayson	\$ 17,626,559	\$ 18,439,371	\$ 812,813	4.6%
Inter-County	\$ 33,527,829	\$ 35,076,879	\$ 1,549,051	4.6%
Jackson	\$ 62,542,635	\$ 65,478,561	\$ 2,935,926	4.7%
Licking Valley	\$ 17,298,143	\$ 18,132,437	\$ 834,294	4.8%
Nolin	\$ 51,393,440	\$ 53,739,387	\$ 2,345,948	4.6%
Owen	\$ 132,382,139	\$ 137,526,060	\$ 5,143,921	3.9%
Salt River	\$ 83,379,874	\$ 87,265,943	\$ 3,886,069	4.7%
Shelby	\$ 33,178,496	\$ 34,555,250	\$ 1,376,754	4.1%
South Ky	\$ 89,374,774	\$ 93,525,503	\$ 4,150,730	4.6%
Taylor	\$ 35,982,424	\$ 37,564,768	\$ 1,582,344	4.4%
	\$ 825,419,487	\$ 861,774,741	\$ 36,355,254	4.4%

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2021-00117 DATED SEP 30 2021

The following rates and charges are prescribed for the customers in the area served by Shelby Energy Cooperative, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the authority of this Commission prior to the effective date of this Order.

RATE 2  
LARGE POWER SERVICE

Customer Charge	\$ 53.84
Demand Charge per kW	\$ 6.24
Energy Charge per kWh	\$ 0.06201

RATE 3  
OUTDOOR AND STREET LIGHTING

High Pressure Sodium:	
100 Watt Outdoor Light	\$ 10.33
100 Watt Decorative Colonial Light	\$ 13.96
400 Watt Directional Flood Light	\$ 20.73
250 Watt Directional Flood Light	\$ 15.11
150 Watt Decorative Acorn Light	\$ 16.64

RATE 3L  
LED OUTDOOR LIGHTING FACILITIES

Standard 4,800-6,800 Lumens	\$ 11.06
Decorative Colonial 4,800-6,800 Lumens	\$ 13.78
Cobra Head 7,200-10,000 Lumens	\$ 15.03
Directional Flood Light 15,000-18,000 Lumens	\$ 20.48

RATE 9  
OFF PEAK RETAIL MARKETING (ETS)

Energy Charge per kWh	\$ 0.06064
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RATE 11  
GENERAL SERVICE

Customer Charge	
Single Phase Service	\$ 18.57
Three Phase Service	\$ 41.27
Energy Charge per kWh	\$ 0.09187

RATE 12  
RESIDENTIAL SERVICE

Customer Charge	\$ 15.48
Energy Charge per kWh	\$ 0.08960

RATE 15  
PREPAY SERVICE

Customer Charge per Day	\$ 0.52
Energy Charge per kWh	\$ 0.08960
Prepay Service Fee per Day	\$ 0.10

SCHEDULE B1  
LARGE INDUSTRIAL (500-4,999 kW)

Customer Charge	\$ 633.60
Contract Demand Charge per kW	\$ 7.40
Excess Demand Charge per kW	\$ 10.30
Energy Charge per kWh	\$ 0.04979

SCHEDULE B2  
LARGE INDUSTRIAL (5,000-9,999 kW)

Customer Charge	\$1,266.41
Contract Demand Charge per kW	\$ 7.40
Excess Demand Charge per kW	\$ 10.30
Energy Charge per kWh	\$ 0.04329

SCHEDULE B3  
LARGE INDUSTRIAL (10,000+ kW)

Customer Charge	
Transformer Size 10,000-14,999 kVa	\$3,530.38
Transformer Size 15,000 kVa or Greater	\$5,603.59
Contract Demand Charge per kW	\$ 7.40
Excess Demand Charge per kW	\$ 10.30
Energy Charge per kWh	\$ 0.04268

SCHEDULE C1  
LARGE INDUSTRIAL (500-4,999 kW)

Customer Charge	\$ 633.81
Demand Charge per kW	\$ 7.40
Energy Charge per kWh	\$ 0.04979

SCHEDULE C2  
LARGE INDUSTRIAL (5,000-9,999 kW)

Customer Charge	\$1,266.43
Contract Demand Charge per kW	\$ 7.40
Energy Charge per kWh	\$ 0.04329

SCHEDULE C3  
LARGE INDUSTRIAL (10,000+ kW)

Customer Charge	
Transformer Size 10,000-14,999 kVa	\$3,530.38
Transformer Size 15,000 kVa or Greater	\$5,603.59
Demand Charge per kW	\$ 7.40
Energy Charge per kWh	\$ 0.04268

RATE 22  
OPTIONAL T-O-D DEMAND

Customer Charge	\$ 47.38
Demand Charge per kW	\$ 6.21
First 100 kWh per kW Demand	\$ 0.07138
Next 100 kWh per kW Demand	\$ 0.06478
All Over 200 kWh per kW Demand	\$ 0.05819

RATE 33  
SPECIAL OUTDOOR LIGHTING SERVICE

Energy Charge per kWh	\$ 0.05811
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