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COMMISSION

December 5, 2018

Ms. Gwen R. Pinson
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602

RE: Case No. 2016-00434

Dear Ms. Pinson:

In response to Item 21 of the Third Data Request for Shelby Energy Cooperative, Inc. in the above case, Shelby Energy provides the attached RUS Depreciation Rate Proposal Confirmation. The RUS depreciation rates listed were implemented upon the final order dated July 31, 2017.

Should you have any questions or need anything further, please let us know.

Sincerely,



Jared Routh
Senior Vice President,
Finance & Cooperative Services

Enclosures

www.shelbyenergy.com

620 Old Finchville Road · Shelbyville, Kentucky 40065-1714
Shelby Co. (502)633-4420 · Trimble Co. (502)255-3001 · 1-800-292-6585
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Rural Development

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Rural Utilities Service

1400 Independence Ave SW, Room 5135 Stop 1510 Washington, DC 20250

Ms. Debra J. Martin
President and CEO
Shelby Energy Cooperative
620 Old Finchville Road
Shelbyville, KY 40065-1714

Voice 202.720.9540
Fax 202.720.1725

Dear Ms. Martin:

In a letter dated April 28, 2017, Shelby Energy Cooperative submitted a Service Life and Net Salvage Study conducted effective December 31, 2013. The updated study proposes the following composite depreciation rates and the Rural Utilities Service (RUS) recommended maximum and minimum rates:

Distribution Plant Account	Proposed	Present	RUS	
	Rate	Rate	Low	High
362 Substation	6.7%	3.0%	2.7%	3.2%
364 Poles Towers and Fixtures	3.9%	3.0%	3.0%	4.0%
365 O/H Conductor and Devices	2.9%	3.0%	2.3%	2.8%
366 Conduit	2.9%	3.0%	1.8%	2.3%
367 U/G Conductor	5.1%	3.0%	2.4%	2.9%
368 Transformers	2.3%	3.0%	2.6%	3.1%
369 Services	3.2%	3.0%	3.1%	3.6%
370 Meters	6.7%	3.0%	2.9%	3.4%
371 Installation on Consumer Premises	3.7%	3.0%	3.9%	4.4%
373 Street Lights	4.0%	3.0%	3.8%	4.3%

Based on a review of the updated depreciation study and the information supplied in your letter, RUS approval is hereby granted for Shelby Energy Cooperative to implement the rates recommended in the updated study and noted above.

Please let us know if we can be of further assistance.

Sincerely,

JAMES F. ELLIOTT
Director of Operations
Rural Utilities Service-Electric Program

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