

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF SHELBY ENERGY)	
COOPERATIVE, INC. TO REVISE ITS LARGE)	CASE NO. 2004-00195
INDUSTRIAL RATE SCHEDULES B3 AND C3)	

O R D E R

On April 18, 2004, Shelby Energy Cooperative, Inc. ("Shelby") filed revised tariffs that contained changes to several rate schedules, including increases to the consumer charge components of its large industrial rate schedules B3 and C3. The revised tariffs were to become effective June 1, 2004. On May 27, 2004, the Commission issued an Order finding that the reasonableness of the proposed increases in rate schedules B3 and C3 required further investigation and that such investigation could not be completed by June 1, 2004. The Order suspended the proposed revisions through October 31, 2004. The remainder of the tariff revisions filed by Shelby did not involve changes in rates and were accepted as filed. There are no intervenors in this proceeding.

Shelby included both cost support and direct testimony in its April 18, 2004 filing. In its testimony, Shelby states that the increase in consumer charges for rate schedules B3 and C3 will make these charges equal to the metering point charge and the substation charge that Shelby is billed by its wholesale supplier. Shelby proposes to increase its consumer charges from \$1,069 per month to \$2,980 per month for customers whose transformers have a KVA rating between 10,000 KVA and 14,999 KVA and from \$1,069 to \$4,730 for customers whose transformers are rated at 15,000 KVA and greater. There are no customers served under rate schedule B3 or rate schedule C3 at this time.

Based on the application and being otherwise sufficiently advised, the Commission finds that:

1. The proposed increase in the consumer charges for rate schedules B3 and C3 will make these consumer charges equal to the metering point charge and substation charge that Shelby is billed by its wholesale supplier.

2. Shelby's proposed increases in consumer charges for rate schedules B3 and C3 are reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The charges in Appendix A are approved for service rendered by Shelby on and after the date of this Order.

2. Shelby shall file, within 20 days of the date of this Order, its revised tariff sheets setting out the charges approved herein showing their date of issue and that they were issued by authority of this Order.

Done at Frankfort, Kentucky, this 9th day of July, 2004.

By the Commission

ATTEST:


DEPUTY Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2004-00195 DATED July 9, 2004

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

RATE SCHEDULE B3

Consumer Charge	
Transformer Size of 10,000 – 14,999 KVA	\$2,980.00
Transformer Size of 15,000 KVA and greater	\$4,730.00

RATE SCHEDULE C3

Consumer Charge	
Transformer Size of 10,000 – 14,999 KVA	\$2,980.00
Transformer Size of 15,000 KVA and greater	\$4,730.00