

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF SHELBY	)	
ENERGY COOPERATIVE, INC. FOR	)	CASE NO.
AUTHORIZATION TO EXECUTE MORTGAGE	)	2026-00238
AND SECURITY AGREEMENT	)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO SHELBY ENERGY COOPERATIVE, INC.

Shelby Energy Cooperative, Inc. (Shelby Energy), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on October 15, 2026. The Commission directs Shelby Energy to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Shelby Energy shall make timely amendment to any prior response if Shelby Energy obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Shelby Energy fails or refuses to furnish all or part of the requested information, Shelby Energy shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Shelby Energy shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Application, page 4, paragraph 14, which cites 807 KAR 5:001, Section 11(2)(c). Identify the correct citation to the provision Shelby Energy intended to reference and explain how that provision applies to this Application.

2. Refer to the Application, generally.

a. Confirm that Shelby Energy proposes to issue debt, in separate tranches, up to \$52,000,000, rather than issuing the entirety of the proposed \$52,000,000 at any one point in time.

b. If the answer to Item 2a above is confirmed, explain in detail the extent to which each financing tranche would affect Shelby Energy's debt service coverage ratio or its Times Interest Earned Ratio (TIER).

3. Refer to the Application, page 2, paragraph 7, which states that Shelby Energy is borrowing from the United States Treasury up to \$52,000,000. Refer also to the Application, Exhibit 7, page 2, which states that the total cost estimate of Shelby Energy's 2026-2029 Construction Work Plan (CWP) is \$52,071,079. Confirm that Shelby Energy will utilize internally generated funds to cover the portion of the CWP costs that will not be covered by the requested financing.

4. Refer to the Application's description of the "Original Mortgage" and Exhibit 5. Confirm whether the Restated Mortgage included as Exhibit 5 is the mortgage intended to be identified as the "Original Mortgage" in the Application. State whether any separate original mortgage document is missing from the filing. If a separate document is missing, identify and provide it.

5. Refer to the Application's statement that Commission authorization is required in connection with the financing documents, Loan Contract § 2.1(c), and Schedule 1, Item 3, to the Loan Contract, which identifies required governmental approvals as "Not Applicable." Reconcile this inconsistency or explain why Commission authorization is required for the proposed mortgage and security documents

notwithstanding the response in Schedule 1, Item 3. If available, provide written confirmation or clarification from the Rural Utility Service (RUS).

6. Refer to the proposed Restated Mortgage included with the Application.

a. Describe National Rural Utilities Cooperative Finance Corporation (CFC)'s role in that mortgage and explain the rights and interests CFC would have under it.

b. Identify whether CFC is acting as a lender, mortgagee, secured party, agent, or in another capacity; identify any indebtedness or other obligations owed to CFC that the mortgage would secure; and explain whether CFC would have independent rights to enforce the mortgage.

c. Distinguish CFC's role under the mortgage from its role under the Loan Contract.


Justin McNeil
Executive Director
Public Service Commission
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DATED OCT 06 2026

cc: Parties of Record

Service List for Case 2026-00238

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