

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION)	
OF SHELBY ENERGY)	CASE NO.
COOPERATIVE, INC.)	2024-00351
FOR A GENERAL ADJUSTMENT)	
OF RATES)	

SHELBY ENERGY COOPERATIVE, INC.'S
VERIFIED RESPONSE TO
COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION
ENTERED MARCH 13, 2025

Comes now Shelby Energy Cooperative, Inc. (Shelby Energy), by counsel, and does hereby tender its Verified Response to Commission Staff's Fourth Request for Information entered March 13, 2025.

Filed: March 21, 2025

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

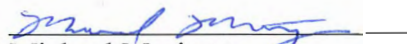
In the Matter of:

THE ELECTRONIC APPLICATION OF)
SHELBY ENERGY COOPERATIVE INC.)
FOR A GENERAL ADJUSTMENT OF)
RATES) Case No. 2024-00351


VERIFICATION OF MICHAEL MORIARTY

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF SHELBY)

Michael Moriarty, Chief Financial Officer of Shelby Energy Cooperative Inc, being duly sworn, states that he has supervised the preparation of responses to Commission Staff's Fourth Request for Information in the above referenced case and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.


Michael Moriarty

The foregoing Verification was signed, acknowledged and sworn to before me this 18 day of March 2025, by Michael Moriarty.


Commission expiration: 12/13/2025
KYNP 38593



Shelby Energy Cooperative, Inc.
Case No. 2024-00351
Commission Staff's Fourth Request for Information

Request 1: Refer to the Application, Exhibit 4, Tariff Sheet No. 240. The Tariff revision states that extensions to a member whose installed transformer capacity will exceed 25 kVA will be required to pay the additional cost of construction. Provide the calculation of the charge, as well as any associated materials, as it will be provided to the customer, including but not limited to each element of the calculation.

Response 1: The calculation of the charge is the difference between the cost of a 25 kVA transformer and the cost of the larger size transformer required by the member. If a member requires a transformer capacity greater than 25 kVA, Shelby Energy will invoice the member for the contribution in aid of construction. The invoice will show the cost of both size transformers and the net amount payable to Shelby Energy. The transformer cost is based on Shelby Energy's last purchase price or the vendor's current list price, and there is no mark-up on the amount Shelby Energy bills to the member.

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Request 2: Refer to the Application, Exhibit 4, Tariff Sheet No. 240. The Tariff revision states that shall the member request the Cooperative to perform right-of-way (ROW) clearing, the member will be required to pay the additional cost of ROW clearing. Provide the calculation of the charge, as well as any associated materials, as it will be explained to the customer, including each element of the calculation.

Response 2: Shelby Energy will obtain an estimate for the ROW clearing with the assistance of its ROW contractor. The estimate is based on the expected time and equipment required to complete the work at the contractor's agreed-upon rates and there is no mark-up on the amount Shelby Energy bills to the member.

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Request 3: Refer to the Application, Exhibit 4, Tariff Sheet No. 243. The Tariff revision states that extensions to a member whose installed transformer capacity will exceed 25 kVA will be required to pay the additional cost of construction. Provide the calculation of the charge, as well as any associated materials, as it will be explained to the customer including each element of the calculation.

Response 3: Please see the Response to Item 1.

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Request 4: Refer to the Application, Exhibit 4, Tariff Sheet No. 243. The Tariff revision states that shall the member request the Cooperative to perform ROW clearing, the member will be required to pay the additional cost of ROW clearing. Provide the calculation of the charge, as well as any associated materials, as it will be explained to the customer including each element of the calculation.

Response 4: Please see the response to Item 2.

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Request 5: Refer to Shelby Energy's tariff on file with the Commission. For each nonrecurring charge set forth in the tariff, provide the cost justification.

a. Refer to Tariff Sheet No. 222, Reconnection Service Fee. Explain whether customers with AMI meters are subject to this fee.

b. Refer to Tariff Sheet No. 223, Collection of Delinquent Accounts. Explain whether customers with AMI meters are subject to this fee.

c. Refer to Tariff Sheet No. 245, Meter Testing. Explain whether customers with AMI meters are subject to this fee.

Response 5(a): Members with AMI meters are subject to the Reconnection Service Fee of \$35 in Tariff Sheet No. 222. One of the benefits of AMI meters is the ability to connect/disconnect meters remotely without having to dispatch employees to manually complete the process. While the remote capability provides labor and transportation cost savings, the AMI system requires annual maintenance costs, higher meter costs compared to standard meters, and substation equipment that would not be necessary without the AMI system. Shelby Energy's current Reconnection Service Fee derives revenue from members that drive the cost of having and maintaining an AMI system. For this reason, Shelby Energy believes the tariff is justified in applying the fee to members with an AMI meter. Approximately 15 percent of Shelby Energy's meters do not have the capability of remote reconnection. In the event one of these meters requires reconnection, Shelby Energy

dispatches employees during regular business hours to replace the existing meter with a meter capable of remote reconnection.

Response 5(b): Shelby Energy ceased the practice of collecting delinquent accounts at the members' premises after the implementation of the AMI system in 2010. As such, Shelby Energy no longer assesses the \$30 collection service fee referenced in Tariff Sheet 223. The \$35 reconnect service fee for accounts disconnected for non-payment is applicable to members with an AMI meter. Shelby Energy believes the tariff is justified for the reasons mentioned in response 5(a) above. Shelby Energy only disconnects accounts for non-payment if the AMI meter is capable of being disconnected remotely. If the meter is not capable of being disconnected remotely, Shelby Energy dispatches employees to replace the meter during regular business hours and then disconnects the account remotely. Since Shelby Energy does not dispatch crews outside of regular business hours for reconnections/disconnections, Shelby Energy does not charge the \$75 reconnect service fee for reconnections done outside of regular business hours. All reconnection fees are \$35 regardless of the time of day.

Response 5(c): Members with AMI meters are subject to the meter test deposit of \$32.50 in Tariff Sheet No. 245. The deposit is meant to cover the cost of time and materials necessary to test the meter. Since the member requesting the test is driving the cost, Shelby Energy believes the tariff is justified to have the member cover the cost if the meter tests within the Commission's limits.