

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 FIFTH REQUEST FOR INFORMATION
ENTERED MARCH 26, 2025

Comes now Shelby Energy Cooperative, Inc. (Shelby Energy), by counsel, and does hereby tender its Verified Response to Commission Staff's Fifth Request for Information entered March 26, 2025.

Filed: April 2, 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 Fifth 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 31 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 Fifth Request for Information

Request 1: Refer to Shelby Energy's response to Commission Staff's Fourth Request for Information (Staff's Fourth Request), Item 5(a). Shelby Energy stated that approximately 15 percent of customers do not have an Advanced Metering Infrastructure (AMI) meter. Clarify whether a customer whose non-AMI meter is replaced and reconnected by Shelby Energy would be subject to both the \$35 reconnection fee and the cost of the replacement.

Response 1: The cost of the meter replacement is not charged to the member. The \$35 reconnection fee is the only charge to reconnect a meter that was disconnected for nonpayment.

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Request 2: Refer to Shelby Energy's response to Staff's Fourth Request, Items 5(a) and 5(c).

Provide the following information:

- a. Provide the actual costs incurred by Shelby Energy to reconnect an AMI meter. Explain how the Reconnection Service fee of \$35 is justified to cover such costs. Provide any supporting documentation.
- b. Provide the actual costs incurred by Shelby Energy to test an AMI meter. Explain how the meter-test deposit of \$32.50 is justified to cover such costs. Provide any supporting documentation.

Response 2(a): The cost incurred for Shelby Energy to reconnect an AMI meter includes a minimal amount of labor since the process is electronic and completed remotely. However, Shelby Energy has made a significant investment to establish the advanced metering infrastructure. Annual depreciation expense for the AMI substation equipment is approximately \$27,050. In addition to depreciation expense, annual software maintenance costs for the 2023 test year were \$18,506. The annual cost to maintain a secure internet connection at each substation for the AMI system is approximately \$11,752. In total, Shelby Energy incurs approximately \$57,308 in costs annually to support and maintain the AMI system.

One of the benefits of the AMI system is the remote reconnection capability, in addition to the benefits of timely billing data and the ability for members to see their energy usage data. Since remote reconnection is one of the primary benefits of the system, Shelby Energy believes it is fair and reasonable that members utilizing remote reconnection should cover the cost. Shelby Energy's total revenue from Reconnection Service fees for the 2023 test year were \$37,765, which is approximately 65% of the annual cost to maintain the AMI system. Without the Reconnection Service fee, the lost revenue would need to be collected through either the fixed customer charge or kWh energy charge which would result in some residential members subsidizing the cost of those members who utilize remote reconnection.

Response 2(b): The cost to Shelby Energy for meter testing includes labor costs, employee training for meter testing certification, and the cost of meter testing equipment. The labor, benefits, and transportation costs alone to dispatch an employee to retrieve a member's meter for testing exceeds the meter test deposit of \$32.50. The deposit amount is not intended to recover the full cost of testing a meter, but rather to deter unwarranted requests to have meters tested.