

MATHIS, RIGGS & PRATHER, P.S.C.
ATTORNEYS AT LAW
500 MAIN STREET, STE. 5
SHELBYVILLE, KENTUCKY 40065

RECEIVED

OCT 31 2008

PUBLIC SERVICE
COMMISSION

C. LEWIS MATHIS, JR.
T. SHERMAN RIGGS
DONALD T. PRATHER
NATHAN T. RIGGS

TELEPHONE: (502) 633-5220
FAX: (502) 633-0667
E-MAIL: dprather@iglou.com

October 31, 2008

Ms. Stephanie Stumbo
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

Re: Shelby Energy Cooperative, Inc. Pass-Through of East Kentucky Power Cooperative, Inc.
Wholesale Rate Adjustment- PSC Case No. 2008-00423.

Dear Ms. Stumbo:

Shelby Energy Cooperative, Inc. hereby submits to the Public Service Commission (the "Commission"), its Proposed Tariffs and other information required by 807 KAR 5:007 in regard to the pass-through of any wholesale rate adjustment granted to East Kentucky Power Cooperative, Inc., ("EKPC") in PSC Case No. 2008-00409. This filing includes the following:

1. Shelby Energy Cooperative, Inc. Proposed Tariffs are attached as Exhibit 1.
2. The name and filing address of the filing cooperative is:
Shelby Energy Cooperative, Inc.
620 Old Finchville Rd
Shelbyville, KY 40065
3. In accordance with the provisions of KRS 278.455(2), Shelby Energy Cooperative, Inc. hereby states that the effects of the increase in rates from its wholesale supplier, EKPC, are being passed through to its retail tariffs on a proportional basis and that the rate design structure proposed for each retail rate schedule does not change the rate design currently in effect.
4. A comparison of the current and proposed rates of Shelby Energy Cooperative, Inc. is attached as Exhibit 2.
5. Attached as Exhibit 3 is a billing analysis which shows the existing and proposed rates for each rate class.

Ms. Stephanie Stumbo
Page 2
October 31, 2008

6. Shelby Energy Cooperative, Inc. recognizes that this pass-through will only apply to rates effective dated December 1, 2008, and does not apply to any future EKPC rate design changes that may be approved by the Commission.

7. A certification that an original and five (5) copies of this filing have been filed with the Office of Rate Intervention, Office of the Attorney General, is attached as Exhibit 4.

8. Notice of the proposed rate change has been given, not more than thirty (30) days prior to October 31, 2008, by publication in a newspaper of general circulation in the affected area of Shelby Energy Cooperative, Inc. A copy of this notice is attached as Exhibit 5.

Shelby Energy Cooperative, Inc. hereby requests that the Commission accept this filing and allow the pass-through to its retail rates of the wholesale rate adjustment granted to EKPC as of the effective date of such adjustment.

Respectfully submitted,

Shelby Energy Cooperative, Inc



Attorney Representing Coop
Donald T. Prather
Mathis, Riggs and Prather, PSC

EXHIBIT 1
Page 1 of 16

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
2nd Revised Sheet No. 1

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky
Name of Issuing Corporation

Canceling P.S.C. NO. 5
1st Revised Sheet No. 1

CLASSIFICATION OF SERVICE	
GENERAL SERVICE - RATE 1	Rate Per Unit
<p><u>AVAILABILITY:</u></p> <p>Available for commercial, small power, single-phase service, and residential and farm consumers and for three-phase loads below 50 KW, subject to the established Rules and Regulations of the Seller. Consumer having a peak demand exceeding 20 KW may at the direction of Seller be billed a demand charge as shown below.</p> <p><u>TYPE OF SERVICE:</u></p> <p>Single-phase and three-phase, 60 Hertz, at available secondary voltage.</p> <p><u>MONTHLY RATE:</u></p> <p><u>Demand Charge:</u></p> <p>First 20 KW of billing demand per month, no demand charge. Excess above 20 KW of billing demand per month @ \$5.00 per KW.</p>	<p>(1)</p>

DATE OF ISSUE October 31, 2008

DATE EFFECTIVE: December 1, 2008

ISSUED BY _____
Name of Officer

TITLE President & CEO

EXHIBIT 1
Page 2 of 16

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
4th Revised Sheet No. 2

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky
Name of Issuing Corporation

Cancelling P.S.C. NO. 5
3rd Revised Sheet No. 2

CLASSIFICATION OF SERVICE					
GENERAL SERVICE - RATE 1					Rate Per Unit
<u>Rate</u>					
<u>Energy Charge</u>					
	Consumer Facility Charge		\$ 7.97	(minimum)	(l)
First	600	kWh per month	\$ 0.08189	per kWh	(l)
Next	1,400	kWh per month	\$ 0.07995	per kWh	(l)
All Over	2,000	kWh per month	\$ 0.07849	per kWh	(l)
<u>DETERMINATION OF BILLING DEMAND:</u>					
<p>The billing demand shall be the maximum kilowatt demand established by the consumer for any period of fifteen (15) consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as provided hereafter.</p>					
<u>POWER FACTOR ADJUSTMENT:</u>					
<p>The consumer agrees to maintain unity power factor as nearly as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of his maximum demand is less than 0.90 (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by 0.90 (90%) and divided by the power factor.</p>					

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Name of Officer

TITLE President & CEO

EXHIBIT 1
Page 3 of 16

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
1st Revised Sheet No. 3

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky
Name of Issuing Corporation

Canceling P.S.C. NO. 5
Original Sheet No. 3

CLASSIFICATION OF SERVICE	
GENERAL SERVICE - RATE 1	Rate Per Unit
<p><u>MINIMUM MONTHLY CHARGE:</u></p> <p>The minimum monthly charge under the above rate shall be \$7.97. Where it is necessary to extend or reinforce existing distribution facilities, the minimum monthly charge may be increased to assure adequate compensation for added facilities. Where the minimum charge is increased in accordance with the terms of this section, additional energy and demand shall be included in accordance with the foregoing rate schedule.</p> <p>The minimum monthly charge for three-phase service shall be \$1.00 per KVA of installed transformer capacity or the minimum monthly charge stated in the contract for service.</p> <p><u>SPECIAL PROVISIONS:</u></p> <p><u>Contract</u></p> <p>An "Agreement for Purchase of Power" shall be executed by the consumer for service under this rate schedule if the service is to be three-phase, or if required by the Seller.</p> <p><u>TERMS OF PAYMENT:</u></p> <p>The above rates are net; the gross rates are 10% higher. In the event the current monthly bill is not paid by the due date as shown on the bill, the gross rate shall apply.</p>	<p>(l)</p>

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Name of Officer

TITLE President & CEO

EXHIBIT 1
Page 4 of 16

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
4th Revised Sheet No. 5

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky
Name of Issuing Corporation

Cancelling P.S.C. NO. 5
3rd Revised Sheet No. 5

CLASSIFICATION OF SERVICE			
LARGE POWER SERVICE - RATE 2			Rate Per Unit
<u>AVAILABILITY:</u>			
Available to all consumers whose KW demand shall be greater than 50 KW, including residential and farm consumers who do not qualify under availability of servie under Rate 1, located on or near Seller's line for all types of usage, subject to the established Rules and Regulations of Seller.			
<u>TYPES OF SERVICE:</u>			
Three -phase, 60 Hertz, available at Sellers's standard voltage			
<u>RATE:</u>			
<u>Demand Charge</u>			
\$5.00 per month per KW of billing demand			
(l)			
<u>Energy Charge</u>			
First	100 kWh per KW demand	\$ 0.06664 per kWh	(l)
Next	100 kWh per KW demand	\$ 0.06045 per kWh	(l)
All Over	200 kWh per KW demand	\$ 0.05428 per kWh	(l)

DATE OF ISSUE October 31, 2008

DATE EFFECTIVE: December 1, 2008

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Name of Officer

TITLE President & CEO

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
5th Revised Sheet No. 9

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky
Name of Issuing Corporation

Cancelling P.S.C. NO. 5
4th Revised Sheet No. 9

CLASSIFICATION OF SERVICE				
OUTDOOR AND STREET LIGHTING SERVICE - RATE 3				Rate Per Unit
<u>AVAILABILITY:</u>				
Available to all consumers of the Cooperative, subject to the established Rules and Regulations of the Cooperative.				
<u>TYPE OF SERVICE:</u>				
Cooperative will furnish, install, and maintain at no extra expense to the consumer, a lighting unit, in accordance with the rate schedule and conditions of service below. Cooperative will make all necessary electrical connections and furnish electricity for same which shall be controlled by a photocell to energize the unit from dusk to dawn.				
<u>RATES:</u>				
	Type of Fixture			
A.	HPS (High Pressure Sodium)	100 Watt Security Light	\$ 7.48	(l)
B.	HPS (High Pressure Sodium)	100 Watt Decorative Colonial Light	\$ 10.15	(l)
C.	HPS (High Pressure Sodium)	400 Watt Directional Flood and Security and Street Light	\$ 14.85	(l)
D.	HPS (High Pressure Sodium)	250 Watt Directional Flood and Security and Street Light	\$ 10.88	(l)
E.	HPS (High Pressure Sodium)	150 Watt Decorative Acorn Light	\$ 12.07	(l)

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TITLE President & CEO

Form for filing Rate Schedule

FOR	<u>All Territory Served</u>	
	Community, Town or City	
P.S.C. NO.		<u>5</u>
6th Revised Sheet No.		<u>15</u>
Cancelling P.S.C. NO.		<u>5</u>
5th Revised Sheet NO		<u>15</u>

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

CLASSIFICATION OF SERVICE		Rate Per Unit
OFF-PEAK RETAIL MARKETING RATE (ETS)		
<u>AVAILABILITY OF SERVICE:</u>		
<p>This special marketing rate is made as an attachment to Rate GS-1 & Rate 10 and all other terms of that rate apply except those covered here. It is available for specific marketing programs as approved by Shelby Energy's Board of Directors.</p> <p>The electric power furnished under this marketing program shall be separately metered for each point of delivery and is applicable during the below listed off-peak hours. This rate is available to customers already receiving service under Rate GS-1 & Rate 10. This marketing rate applies only to programs which are expressly approved by the Public Service Commission to be offered under the Marketing Rate of East Kentucky Power Cooperative's Wholesale Power Rate Schedule E.</p>		
<u>Months</u>	<u>Hours Applicable - EST</u>	
May through September	10:00 P.M. to 10:00 A.M.	
October through April	12:00 Noon to 5:00 P.M. 10:00 P.M. to 7:00 A.M.	
<u>Rates</u>		
The energy rate for this program is as listed below:		
All kWh	\$0.04709 per kWh	(I)

DATE OF ISSUE October 31, 2008 DATE EFFECTIVE: December 1, 2008

ISSUED BY _____ TITLE President & CEO
Name of Officer

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
4th Revised Sheet No. 17

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky
Name of Issuing Corporation

Cancelling P.S.C. NO. 5
3rd Revised Sheet No. 17

CLASSIFICATION OF SERVICE		Rate Per Unit
LARGE INDUSTRIAL RATE - SCHEDULE B1		
<u>AVAILABILITY:</u> Applicable to contracts with demands of 500 to 4,999 KW with a monthly energy usage equal to or greater than 400 hours per KW of contract demand.		
<u>MONTHLY RATE:</u>		
Consumer Charge	\$ 593.95	(I)
Demand Charge per KW of Contract Demand	\$ 5.98	(I)
Demand Charge per KW for Billing Demand in Excess of Contract Demand	\$ 8.68	(I)
Energy Charge per kWh	\$ 0.04646	(I)
<u>BILLING DEMAND:</u> The billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the consumer's peak demand during the current month exceeds the contract demand. The load center's peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:		
<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>	
October through April	7:00 A.M. to 12:00 Noon 5:00 P.M. to 10:00 P. M.	
May through September	10:00 A.M. to 10:00 P.M.	

DATE OF ISSUE October 31, 2008

DATE EFFECTIVE: December 1, 2008

ISSUED BY _____
Name of Officer

TITLE President & CEO

EXHIBIT 1
Page 8 of 16

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
4th Revised Sheet No. 20

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky
Name of Issuing Corporation

Cancelling P.S.C. No. 5
3rd Revised Sheet No. 20

CLASSIFICATION OF SERVICE		Rate Per Unit
LARGE INDUSTRIAL RATE - SCHEDULE B2		
<u>AVAILABILITY:</u>		
Applicable to contracts with demands of 5,000 to 9,999 KW with a monthly energy usage equal to or greater than 400 hours per KW of contract demand.		
<u>MONTHLY RATE:</u>		
Consumer Charge	\$ 1,186.79	(I)
Demand Charge per KW of Contract Demand	\$ 5.98	(I)
Demand Charge per KW for Billing Demand in Excess of Contract Demand	\$ 8.68	(I)
Energy Charge per kWh	\$ 0.04091	(I)
<u>BILLING DEMAND:</u>		
The billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the consumer's peak demand during the current month exceeds the contract demand. The load center's peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:		
<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>	
October through April	7:00 A.M. to 12:00 Noon 5:00 P.M. to 10:00 P. M.	
May through September	10:00 A.M. to 10:00 P.M.	

DATE OF ISSUE October 31, 2008

DATE EFFECTIVE: December 1, 2008

ISSUED BY _____
Name of Officer

TITLE President & CEO

EXHIBIT 1
Page 9 of 16

Form for filing Rate Schedule

FOR	<u>All Territory Served</u>	
	Community, Town or City	
P.S.C. NO.		<u>5</u>
4th Revised Sheet No.		<u>23</u>
Cancelling P.S.C. No.		<u>5</u>
3rd Revised Sheet No.		<u>23</u>

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky
Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
LARGE INDUSTRIAL RATE - SCHEDULE B3	Rate Per Unit
<u>AVAILABILITY:</u>	
Applicable to contracts with demands of 10,000 kW and over with a monthly energy usage equal to or greater than 400 hours per kW of contract demand.	
<u>MONTHLY RATE:</u>	
Consumer Charge	
Transformer Size of 10,000 - 14,999 kVa	\$ 3,308.36 (I)
Transformer Size of 15,000 kVa and greater	\$ 5,251.19 (I)
Demand Charges per kW	
Contract Demand	\$ 5.98 (I)
Billing Demand in Excess of Contract Demand	\$ 8.68 (I)
Energy Charge per kWh	\$ 0.03980 (I)
<u>BILLING DEMAND:</u>	
The billing demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the consumer's peak demand during the current month exceeds the contract demand. The consumer's peak demand is the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:	
<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October through April	7:00 A.M. to 12:00 Noon 5:00 P.M. to 10:00 P. M.
May through September	10:00 A.M. to 10:00 P.M.

DATE OF ISSUE October 31, 2008 DATE EFFECTIVE: December 1, 2008

ISSUED BY _____ TITLE President & CEO
Name of Officer

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
4th Revised Sheet No. 26

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky
Name of Issuing Corporation

Cancelling P.S.C. No. 5
3rd Revised Sheet No. 26

CLASSIFICATION OF SERVICE		Rate Per Unit
LARGE INDUSTRIAL RATE - SCHEDULE C1		
<u>AVAILABILITY:</u>		
Applicable to contracts with demands of 500 to 4,999 KW with a monthly energy usage equal to or greater than 400 hours per KW of contract billing demand. These contracts will be two "two-party" contracts with the first one being between the Seller and the Cooperative association and the second one being between the Seller and the ultimate consumer.		
<u>MONTHLY RATE:</u>		
Consumer Charge	\$ 593.95	(I)
Demand Charge per KW of billing demand	\$ 5.98	(I)
Energy Charge per kWh	\$ 0.04646	(I)
<u>BILLING DEMAND:</u>		
The monthly billing demand shall be the greater of (a) or (b) listed below:		
(a)	The contract demand	
(b)	The ultimate consumer's peak demand during the current month or preceding eleven months. The peak demand shall be the highest average rate at which energy is used during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:	
<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>	
October through April	7:00 A.M. to 12:00 Noon 5:00 P.M. to 10:00 P. M.	
May through September	10:00 A.M. to 10:00 P.M.	

DATE OF ISSUE October 31, 2008

DATE EFFECTIVE: December 1, 2008

ISSUED BY _____
Name of Officer

TITLE President & CEO

EXHIBIT 1
Page 12 of 16

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
4th Revised Sheet No. 32

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky
Name of Issuing Corporation

Cancelling P.S.C. No. 5
3rd Revised Sheet No. 32

CLASSIFICATION OF SERVICE

LARGE INDUSTRIAL RATE - SCHEDULE C3

**Rate
Per Unit**

AVAILABILITY:

Applicable to contracts with demands of 10,000 kW and over with a monthly energy usage equal to or greater than 400 hours per kW of contract demand.

MONTHLY RATE:

Consumer Charge			
Transformer Size of 10,000 - 14,999 kVa	\$	3,308.36	(I)
Transformer Size of 15,000 kVa and greater	\$	5,251.19	(I)
Demand Charge per kW	\$	5.98	(I)
Energy Charge per kWh	\$	0.03980	(I)

BILLING DEMAND:

The monthly billing demand shall be the greater of (a) or (b) listed below:

- (a) The contract demand
- (b) The consumer's peak demand during the current month or preceding eleven months. The peak demand shall be the highest average rate at which energy is used any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October through April	7:00 A.M. to 12:00 Noon 5:00 P.M. to 10:00 P.M.
May through September	10:00 A.M. to 10:00 P.M.

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ISSUED BY _____
Name of Officer

TITLE President & CEO

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
2nd Revised Sheet No. 35

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky
Name of Issuing Corporation

Canceling P.S.C. NO. 5
1st Revised Sheet No. 35

CLASSIFICATION OF SERVICE																															
INTERRUPTIBLE SERVICE	Rate Per Unit																														
<p><u>Standard Rider</u></p> <p>This Interruptible Rate is a rider to Rate Schedule(s) 2, 4, 22, B1, B2, B3, C1, C2, and C3.</p> <p><u>Applicable</u></p> <p>In all territory served by the Cooperative.</p> <p><u>Availability of Service</u></p> <p>This schedule shall be made available to any member where that member will contract for an interruptible demand of not less than 250 kW and not more than 20,000 kW, subject to a maximum number of hours of interruption per year and a notice period as listed below.</p> <p><u>Monthly Rate</u></p> <p>A monthly demand credit per kW is to be based on the following matrix:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2"></th> <th colspan="3" style="text-align: center;"><u>ANNUAL HOURS OF INTERRUPTION</u></th> <th></th> </tr> <tr> <th colspan="2"></th> <th style="text-align: center;"><u>200</u></th> <th style="text-align: center;"><u>300</u></th> <th style="text-align: center;"><u>400</u></th> <th></th> </tr> <tr> <th style="text-align: center;"><u>NOTICE</u></th> <th style="text-align: center;"><u>MINUTES</u></th> <td></td> <td></td> <td></td> <td></td> </tr> </thead> <tbody> <tr> <td style="text-align: center;">10</td> <td></td> <td style="text-align: center;">\$2.97</td> <td style="text-align: center;">\$3.47</td> <td style="text-align: center;">\$3.97</td> <td style="text-align: center;">(l)</td> </tr> <tr> <td style="text-align: center;">60</td> <td></td> <td style="text-align: center;">\$2.48</td> <td style="text-align: center;">\$2.97</td> <td style="text-align: center;">\$3.47</td> <td style="text-align: center;">(l)</td> </tr> </tbody> </table>				<u>ANNUAL HOURS OF INTERRUPTION</u>						<u>200</u>	<u>300</u>	<u>400</u>		<u>NOTICE</u>	<u>MINUTES</u>					10		\$2.97	\$3.47	\$3.97	(l)	60		\$2.48	\$2.97	\$3.47	(l)
		<u>ANNUAL HOURS OF INTERRUPTION</u>																													
		<u>200</u>	<u>300</u>	<u>400</u>																											
<u>NOTICE</u>	<u>MINUTES</u>																														
10		\$2.97	\$3.47	\$3.97	(l)																										
60		\$2.48	\$2.97	\$3.47	(l)																										

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DATE EFFECTIVE: December 1, 2008

ISSUED BY _____
Name of Officer

TITLE President & CEO

EXHIBIT 1
Page 14 of 16

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
7th Revised Sheet No. 39

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky
Name of Issuing Corporation

Cancelling P.S.C. NO. 5
6th Revised 39

CLASSIFICATION OF SERVICE		Rate Per Unit															
OPTIONAL T-O-D DEMAND - RATE 22																	
<p><u>AVAILABILITY:</u></p> <p>Available to all consumers whose KW demand shall be greater than 200 KW, including consumers who do not qualify under availability of service under Rate 1 or Rate 10, located on or near Seller's line for all types of usage, subject to the established Rules and Regulations of Seller.</p> <p><u>TYPES OF SERVICE:</u></p> <p>Three -phase, 60 Hertz, available at Sellers's standard voltage</p> <p><u>RATE:</u></p> <p><u>Consumer Charge</u></p> <p>\$44.41</p> <p><u>Demand Charge</u></p> <p>\$5.00 per month per KW of billing demand</p> <p><u>Energy Charge</u></p> <table border="0"> <tr> <td>First</td> <td>100 kWh per KW demand</td> <td>\$ 0.06664</td> <td>per kWh</td> <td>(l)</td> </tr> <tr> <td>Next</td> <td>100 kWh per KW demand</td> <td>\$ 0.06045</td> <td>per kWh</td> <td>(l)</td> </tr> <tr> <td>All Over</td> <td>200 kWh per KW demand</td> <td>\$ 0.05428</td> <td>per kWh</td> <td>l</td> </tr> </table>		First	100 kWh per KW demand	\$ 0.06664	per kWh	(l)	Next	100 kWh per KW demand	\$ 0.06045	per kWh	(l)	All Over	200 kWh per KW demand	\$ 0.05428	per kWh	l	
First	100 kWh per KW demand	\$ 0.06664	per kWh	(l)													
Next	100 kWh per KW demand	\$ 0.06045	per kWh	(l)													
All Over	200 kWh per KW demand	\$ 0.05428	per kWh	l													

DATE OF ISSUE October 31, 2008

DATE EFFECTIVE: December 1, 2008

ISSUED BY _____
Name of Officer

TITLE President & CEO

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
4th Revised Sheet No. 43

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky
Name of Issuing Corporation

Cancelling P.S.C. NO. 5
3rd Revised Sheet No. 43

CLASSIFICATION OF SERVICE	
OPTIONAL RESIDENTIAL, CHURCH & SCHOOL SERVICE - RATE 10	Rate Per Unit
<u>AVAILABILITY:</u>	
Available for residences, churches, schools, volunteer fire departments, municipal fire departments and municipal buildings willing to accept the Seller's Special provisions as conditions of service.	
<u>TYPE OF SERVICE:</u>	
Single phase and three-phase, 60 hertz, at available secondary voltages.	
<u>MONTHLY RATE:</u>	
Customer Charge	
1. Single Phase Service	\$ 12.60 (l)
2. Three Phase Service	32.75 (l)
Energy Charge per kWh	\$ 0.06923 (l)
<u>MINIMUM MONTHLY CHARGE:</u>	
The minimum monthly charge for this rate schedule shall be \$12.60 for single phase service and \$32.75 for three phase service. Where it is necessary to extend or upgrade existing facilities, the minimum monthly charge may be increased to provide adequate compensation for the added facilities.	
<u>SPECIAL PROVISIONS:</u>	
1 During peak system hours, the Cooperative may control electric water heaters, central air conditioners and other major electrical loads. Such control would be for limited time periods and control strategies would be based on industry standard practices to reduce consumer inconvenience.	

DATE OF ISSUE October 31, 2008

DATE EFFECTIVE: December 1, 2008

ISSUED BY _____
Name of Officer

TITLE President & CEO

EXHIBIT 2
Page 1 of 2

The present and proposed rates structures of Shelby Energy Cooperative, Inc. are listed below:

	<u>Rate Class</u>	<u>Present</u>	<u>Proposed</u>
1	General Service		
	Consumer Facility Charge	\$7.37	\$7.97
	Demand Charge – 1 st 20 kW per Month	N/C	N/C
	Demand above 20 kW per Month	\$4.62	\$5.00
	Energy First 600 kWh per Month	\$0.07574	\$0.08189
	Energy Next 1400 kWh per Month	\$0.07394	\$0.07995
	Energy All Over 2000 kWh per Month	\$0.07259	\$0.07849
ETS	Off-Peak Retail Marketing Rate		
	Energy – All kWh	\$0.04355	\$0.04709
2	Large Power Service		
	Demand Charge per kW	\$4.62	\$5.00
	Energy Charge First 100 kWh per kW	\$0.06163	\$0.06664
	Energy Charge Next 100 kWh per kW	\$0.05591	\$0.06045
	Energy Charge All Over 200 kWh per kW	\$0.05020	\$0.05428
3	Outdoor and Street Lighting Service		
	A. HPS (High Pressure Sodium) – 100 Watt Security Light	\$6.93	\$7.48
	B. HPS (High Pressure Sodium) – 100 Watt Decorative Colonial Light	\$9.39	\$10.15
	C. HPS (High Pressure Sodium) – 400 Watt Directional Flood and Security and Street Light	\$13.73	\$14.85
	D. HPS (High Pressure Sodium) – 250 Watt Directional Flood and Security and Street Light	\$10.06	\$10.88
	E. HPS (High Pressure Sodium) – 150 Watt Decorative Acorn Light	\$11.16	\$12.07
B1	Large Industrial Rate		
	Consumer Charge / Mo	\$549.32	\$593.95
	Demand Charge / kW Contract Demand	\$5.53	\$5.98
	Demand Charge in Excess of Contract Demand	\$8.03	\$8.68
	Energy Charge / kWh	\$0.04297	\$0.04646
B2	Large Industrial Rate		
	Consumer Charge / Mo	\$1,097.60	\$1,186.79
	Demand Charge per kW Contract Demand	\$5.53	\$5.98
	Demand Charge in Excess of Contract Demand	\$8.03	\$8.68
	Energy Charge / kWh	\$0.03784	\$0.04091
B3	Large Industrial Rate		
	Consumer Charge Transformer Size 10,000 – 14,999 kVa	\$3,059.74	\$3,308.36
	Consumer Charge Transformer Size 15,000 kVa and greater	\$4,856.57	\$5,251.19
	Demand Charge per kW Contract Demand	\$5.53	\$5.98
	Demand Charge in Excess of Contract Demand	\$8.03	\$8.68
	Energy Charge / kWh	\$0.03681	\$0.03980
C1	Large Industrial Rate		
	Consumer Charge / Mo	\$549.32	\$593.95
	Demand Charge /kW	\$5.53	\$5.98
	Energy Charge / kWh	\$0.04297	\$0.04646
C2	Large Industrial Rate		
	Consumer Charge / Mo	\$1,097.60	\$1,186.79
	Demand Charge / kW	\$5.53	\$5.98
	Energy Charge / kWh	\$0.03784	\$0.04091

EXHIBIT 2**Page 2 of 2**

	<u>Rate Class</u>	<u>Present</u>	<u>Proposed</u>
C3	Large Industrial Rate		
	Consumer Charge Transformer Size 10,000 – 14,999 kVa	\$3,059.74	\$3,308.36
	Consumer Charge Transformer Size 15,000 kVa and greater	\$4,856.57	\$5,251.19
	Demand Charge / kW	\$5.53	\$5.98
	Energy Charge / kWh	\$0.03681	\$0.03980
22	Optional T-O-D Demand		
	Consumer Charge / Mo	\$41.07	\$44.41
	Demand Charge / kW	\$4.62	\$5.00
	Energy Charge – First 100 kWh per kW Demand	\$0.06163	\$0.06664
	Energy Charge – Next 100 kWh per kW Demand	\$0.05591	\$0.06045
	Energy Charge – All Over 200 kWh per kW Demand	\$0.05020	\$0.05428
10	Optional Residential, Church & School Service		
	Customer Charge – Single Phase Service	\$11.65	\$12.60
	Customer Charge – Three Phase Service	\$30.29	\$32.75
	Energy Charge /kWh	\$0.06403	\$0.06923
33	Special Outdoor Lighting Service		
	1. Energy Charge /kWh	\$0.05013	\$0.05420
	2. Facilities Charge	1.4027%	1.5166%
	Interruptible Service Rider - Credit		
	10-Minute Interruption, 200 Hours	\$2.70	\$2.97
	10-Minute Interruption, 300 Hours	\$3.15	\$3.47
	10-Minute Interruption, 400 Hours	\$3.60	\$3.97
	60-Minute Interruption, 200 Hours	\$2.25	\$2.48
	60-Minute Interruption, 300 Hours	\$2.70	\$2.97
	60-Minute Interruption, 400 Hours	\$3.15	\$3.47

Shelby Energy Cooperative
Billing Analysis
for the 12 months ended June 30, 2008

	Present Total Base \$	% of Total Revenue	Proposed Total Base \$	% of Total Revenue	\$ Increase	% Increase
Schedule 1 General Service	\$ 8,954,167	27.76%	\$ 9,681,692	27.76%	\$ 727,525	8.12%
Schedule ETS Off-Pk Retail Mkt Rate	25,099	0.08%	27,139	0.08%	2,040	8.13%
Schedule 2 Lg Power Service >50 kW	2,835,942	8.79%	3,066,985	8.79%	231,043	8.15%
Schedule 3 - Outdoor & Str Lighting	363,360	1.13%	392,345	1.12%	28,985	7.98%
Schedule 10 - Optional Res, Church & School	10,462,829	32.44%	11,312,855	32.44%	850,026	8.12%
Schedule B-1 Lg Industrial Rate	7,275,385	22.55%	7,866,453	22.55%	591,068	8.12%
Sch B-2 Lg Industrial Rate	2,340,879	7.26%	2,530,913	7.26%	190,035	8.12%
Total Base Rates	\$ 32,257,661	100.00%	\$ 34,878,382	100.00%	\$ 2,620,722	8.12%
Total FAC Component	2,856,264		2,856,264		-	
Total ES Component	2,077,957		2,077,957		-	
Total Including Surcharges	\$ 37,191,882		\$ 39,812,603		\$ 2,620,722	7.05%

Shelby Energy Cooperative Billing Analysis
for the 12 months ended June 30, 2008

Schedule 2
Large Power Service >50kW
Rate 2; 5; 21; 32

	Existing (escalated)				Proposed				\$ Increase	% Increase		
	Actual Billing Data	Escalation %	Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate			Annualized Revenues	% of Total
Customer Charge	732	1.19%	741	\$0.00	\$0	0.00%	741	\$0.00	-	0.00%		
Demand Charge	124,833	1.90%	127,205	\$4.62	587,686	20.72%	127,205	\$5.00	636,024	20.74%	48,338	8.23%
Energy Charge	8,357,765	3.30%	8,633,571	\$0.06163	532,087	18.76%	8,633,571	\$0.06664	575,341	18.76%	43,254	8.13%
First 100 kWh Per KW	7,191,916	3.30%	7,429,249	\$0.05591	415,369	14.65%	7,429,249	\$0.06045	449,098	14.64%	33,729	8.12%
Next 100 kWh Per KW	25,084,539	3.30%	25,912,329	\$0.05020	1,300,799	45.87%	25,912,329	\$0.05428	1,406,521	45.86%	105,722	8.13%
All over 200 kWh Per KW												
Total Base-load Charges					\$2,835,942	100.00%			\$3,066,985	100.00%	231,043	8.15%
Fuel adjustment					254,823				254,823		-	0.00%
Environmental surcharge					185,639				185,639		-	0.00%
Total revenues					\$3,276,404				3,507,447		231,043	7.05%
Average Bill					\$ 4,423.32				\$ 4,735.24		\$ 311.92	7.05%

Schedule 10
Optional Residential, Church and School Service
Rate 10; 13; 40; 88

	Existing (escalated)				Proposed				\$ Increase	% Increase		
	Actual Billing Data	Escalation %	Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate			Annualized Revenues	% of Total
Customer Charge	80,561	2.14%	82,285	\$11.65	\$958,620	9.16%	82,285	\$12.60	1,036,791	9.16%	78,171	8.15%
Single Phase	133	2.14%	136	\$30.29	\$4,115	0.04%	136	\$32.75	4,449	0.04%	334	8.12%
Three-Phase Service	143,629,647	3.30%	148,369,425	\$0.06403	9,500,094	90.80%	148,369,425	\$0.06923	10,271,615	90.80%	771,521	8.12%
Energy charge per kWh												
Total from base rates					10,462,829	100.00%			11,312,855	100.00%	850,026	8.12%
Green Power					1,859				1,859		-	0.00%
Fuel adjustment					836,434				836,434		-	0.00%
Environmental surcharge					682,058				682,058		-	0.00%
Total revenues					\$11,983,180				12,833,206		850,026	7.09%
Average Bill					\$ 145.39				\$ 155.70		\$ 10.31	7.09%

Shelby Energy Cooperative Billing Analysis
for the 12 months ended June 30, 2008

Schedule B-1
Large Industrial Rate
Rate 8; 38

	Actual Billing Data	Escalation %	Existing (escalated)				Proposed				\$ Increase	% Increase
			Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge	145	0.00%	145	\$549.32	\$79,651	1.09%	145	\$593.95	86,123	1.09%	6,471	8.12%
Demand Charge	236,740	1.90%	241,238	\$5.53	1,334,046	18.34%	241,238	\$5.98	1,442,604	18.34%	108,557	8.14%
Excess Demand	19,495	1.90%	19,865	\$8.03	159,519	2.19%	19,865	\$8.68	172,432	2.19%	12,913	8.09%
Energy Charge												
First 100 kW	128,461,890	3.30%	132,701,132	\$0.04297	5,702,168	78.38%	132,701,132	\$0.04646	6,165,295	78.37%	463,127	8.12%
Total Baseload Charges					<u>\$7,275,385</u>	100.00%			<u>7,866,453</u>	100.00%	<u>591,068</u>	8.12%
Fuel adjustment					825,455				825,455		-	0.00%
Environmental surcharge					469,000				469,000		-	0.00%
Total Revenues					<u>\$8,569,840</u>				<u>9,160,908</u>		<u>591,068</u>	6.90%
Average Bill					\$ 59,102.34				\$ 63,178.67		\$ 4,076.33	6.90%

Schedule B-2
Large Industrial Rate
Rate 28

	Actual Billing Data	Escalation %	Existing (escalated)				Proposed				\$ Increase	% Increase
			Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge	12	0.00%	12	\$1,097.60	\$13,171	0.56%	12	\$1,166.79	14,241	0.56%	1,070	8.13%
Demand Charge	87,600	1.90%	89,264	\$5.53	493,632	21.09%	89,264	\$5.98	533,801	21.09%	40,169	8.14%
Excess Demand	3,500	1.90%	3,567	\$8.03	28,639	1.22%	3,567	\$8.68	30,957	1.22%	2,318	8.09%
Energy Charge												
Per kWh	46,188,175	3.30%	47,712,385	\$0.03784	1,805,437	77.13%	47,712,385	\$0.04091	1,951,914	77.12%	146,477	8.11%
Total Baseload Charges					<u>\$2,340,879</u>	100.00%			<u>2,530,913</u>	100.00%	<u>190,035</u>	8.12%
Fuel adjustment					306,272				306,272		-	0.00%
Environmental surcharge					153,293				153,293		-	0.00%
Total Revenues					<u>\$2,800,444</u>				<u>2,990,478</u>		<u>190,035</u>	6.79%
Average Bill					\$ 233,370.33				\$ 249,206.54		\$ 15,836.21	6.79%

**Shelby Energy Cooperative Billing Analysis
for the 12 months ended June 30, 2008**

	Existing					Proposed					\$ Increase	% Increase
	# Customers	kWh	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total			
Rate 3, Outdoor & Street Lighting	42323	1,650,597	\$6.93	293,298	80.72%	42,323	7.48	316,576	80.69%	23,278	7.94%	
100 Watt HPS Security light	3706	322,422	\$10.06	37,282	10.26%	3,706	10.88	40,321	10.28%	3,039	8.15%	
250 Watt Directional Flood	891	34,749	\$9.39	8,366	2.30%	891	10.15	9,044	2.31%	677	8.09%	
100 Watt Decorative Colonial	1648	262,032	\$13.73	22,627	6.23%	1,648	14.85	24,473	6.24%	1,846	8.16%	
400 Watt Directional Flood	160	9,280	\$11.16	1,786	0.49%	160	12.07	1,931	0.49%	146	8.15%	
150 Watt Decorative Acorn												
Total Base Rates	48,728	2,279,080		\$ 363,360	100.00%	48,728		392,345	100.00%	28,985	7.98%	
FAC				829				829		-		
ES				1,586				1,586		-		
Total				\$ 365,775				\$ 394,760		28,985	7.92%	
Average Bill				\$ 7.51				\$ 8.10		0.59	7.92%	

SHELBY ENERGY COOPERATIVE, INC.

CASE NO. 2008-00423

I, Ann F. Wood, hereby certify that an original and five copies of the filing provided to the Kentucky Public Service Commission have been sent to the Office of Rate Intervention, Office of the Attorney General.

Ann F. Wood

Ann F. Wood
East Kentucky Power Cooperative, Inc.

Subscribed and sworn before me on this 31st day of October, 2008. .

Reagan S. Duffin
Notary Public

My Commission expires:

December 8, 2009



NOTICE OF PROPOSED RATE CHANGE

In accordance with the requirements of the Public Service Commission of the Commonwealth of Kentucky as set forth in 807 KAR 5:007, Section 3, of the Rules and Regulations of the Public Service Commission, notice is hereby given to the member consumers of Shelby Energy Cooperative, Inc. of a proposed rate adjustment. An Application for Approval of Adjustment to Rates will be filed with the Public Service Commission on October 31, 2008, Case No. 2008-00423. The rates are being revised to reflect a change in wholesale rates pursuant to KRS 278.455(2). This adjustment will result in a general rate increase to the member-consumers of Shelby Energy Cooperative, Inc. The amount and percent of increase by rate class are listed below.

	<u>Rate Class</u>	<u>Increase</u>	<u>Percent</u>
1	General Service	\$727,525	7.15%
ETS	Off-Peak Retail Marketing Rate	\$2,040	7.07%
2	Large Power Service	\$231,043	7.05%
3	Outdoor and Street Lighting Service	\$28,985	7.92%
B1	Large Industrial Rate	\$591,068	6.90%
B2	Large Industrial Rate	\$190,035	6.79%
10	Optional Residential, Church & School Service	\$850,026	7.09%

The effects of the proposed rates on the average monthly bill by rate class are listed below:

	<u>Rate Class</u>	<u>\$ Increase</u>	<u>Percent Increase</u>
1	General Service	\$7.11	7.15%
ETS	Off-Peak Retail Marketing Rate	\$1.85	7.07%
2	Large Power Service	\$311.92	7.05%
3	Outdoor and Street Lighting Service	\$0.59	7.92%
B1	Large Industrial Rate	\$4,076.33	6.90%
B2	Large Industrial Rate	\$15,836.21	6.79%
10	Optional Residential, Church & School Service	\$10.31	7.09%

The present and proposed rates structures of Shelby Energy Cooperative, Inc. are listed below:

	<u>Rate Class</u>	<u>Present</u>	<u>Proposed</u>
1	General Service		
	Consumer Facility Charge	\$7.37	\$7.97
	Demand Charge – 1 st 20 kW per Month	N/C	N/C
	Demand above 20 kW per Month	\$4.62	\$5.00
	Energy First 600 kWh per Month	\$0.07574	\$0.08189
	Energy Next 1400 kWh per Month	\$0.07394	\$0.07995
	Energy All Over 2000 kWh per Month	\$0.07259	\$0.07849

EXHIBIT 5
Page 2 of 3

	<u>Rate Class</u>	<u>Present</u>	<u>Proposed</u>
ETS	Off-Peak Retail Marketing Rate		
	Energy – All kWh	\$0.04355	\$0.04709
2	Large Power Service		
	Demand Charge per kW	\$4.62	\$5.00
	Energy Charge First 100 kWh per kW	\$0.06163	\$0.06664
	Energy Charge Next 100 kWh per kW	\$0.05591	\$0.06045
	Energy Charge All Over 200 kWh per kW	\$0.05020	\$0.05428
3	Outdoor and Street Lighting Service		
	A. HPS (High Pressure Sodium) – 100 Watt Security Light	\$6.93	\$7.48
	B. HPS (High Pressure Sodium) – 100 Watt Decorative Colonial Light	\$9.39	\$10.15
	C. HPS (High Pressure Sodium) – 400 Watt Directional Flood and Security and Street Light	\$13.73	\$14.85
	D. HPS (High Pressure Sodium) – 250 Watt Directional Flood and Security and Street Light	\$10.06	\$10.88
	E. HPS (High Pressure Sodium) – 150 Watt Decorative Acorn Light	\$11.16	\$12.07
B1	Large Industrial Rate		
	Consumer Charge / Mo	\$549.32	\$593.95
	Demand Charge / kW Contract Demand	\$5.53	\$5.98
	Demand Charge in Excess of Contract Demand	\$8.03	\$8.68
	Energy Charge / kWh	\$0.04297	\$0.04646
B2	Large Industrial Rate		
	Consumer Charge / Mo	\$1,097.60	\$1,186.79
	Demand Charge per kW Contract Demand	\$5.53	\$5.98
	Demand Charge in Excess of Contract Demand	\$8.03	\$8.68
	Energy Charge / kWh	\$0.03784	\$0.04091
B3	Large Industrial Rate		
	Consumer Charge Transformer Size 10,000 – 14,999 kVa	\$3,059.74	\$3,308.36
	Consumer Charge Transformer Size 15,000 kVa and greater	\$4,856.57	\$5,251.19
	Demand Charge per kW Contract Demand	\$5.53	\$5.98
	Demand Charge in Excess of Contract Demand	\$8.03	\$8.68
	Energy Charge / kWh	\$0.03681	\$0.03980
C1	Large Industrial Rate		
	Consumer Charge / Mo	\$549.32	\$593.95
	Demand Charge /kW	\$5.53	\$5.98
	Energy Charge / kWh	\$0.04297	\$0.04646
C2	Large Industrial Rate		
	Consumer Charge / Mo	\$1,097.60	\$1,186.79
	Demand Charge / kW	\$5.53	\$5.98
	Energy Charge / kWh	\$0.03784	\$0.04091
C3	Large Industrial Rate		
	Consumer Charge Transformer Size 10,000 – 14,999 kVa	\$3,059.74	\$3,308.36
	Consumer Charge Transformer Size 15,000 kVa and greater	\$4,856.57	\$5,251.19
	Demand Charge / kW	\$5.53	\$5.98
	Energy Charge / kWh	\$0.03681	\$0.03980
22	Optional T-O-D Demand		
	Consumer Charge / Mo	\$41.07	\$44.41
	Demand Charge / kW	\$4.62	\$5.00
	Energy Charge – First 100 kWh per kW Demand	\$0.06163	\$0.06664
	Energy Charge – Next 100 kWh per kW Demand	\$0.05591	\$0.06045
	Energy Charge – All Over 200 kWh per kW Demand	\$0.05020	\$0.05428

EXHIBIT 5
Page 3 of 3

	<u>Rate Class</u>	<u>Present</u>	<u>Proposed</u>
10	Optional Residential, Church & School Service		
	Customer Charge – Single Phase Service	\$11.65	\$12.60
	Customer Charge – Three Phase Service	\$30.29	\$32.75
	Energy Charge /kWh	\$0.06403	\$0.06923
33	Special Outdoor Lighting Service		
	1. Energy Charge /kWh	\$0.05013	\$0.05420
	2. Facilities Charge	1.4027%	1.5166%
	Interruptible Service Rider – Credit		
	10-Minute Interruption, 200 Hours	\$2.70	\$2.97
	10-Minute Interruption, 300 Hours	\$3.15	\$3.47
	10-Minute Interruption, 400 Hours	\$3.60	\$3.97
	60-Minute Interruption, 200 Hours	\$2.25	\$2.48
	60-Minute Interruption, 300 Hours	\$2.70	\$2.97
	60-Minute Interruption, 400 Hours	\$3.15	\$3.47

The rates contained in this notice are the rates proposed by Shelby Energy Cooperative, Inc. However, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such actions may result in rates for consumers other than the rates in this notice.

Any person may examine the rate application at the main office of Shelby Energy Cooperative, Inc. at the following address:

Shelby Energy Cooperative, Inc.
620 Old Finchville Road
Shelbyville, KY 40065-1714
502-633-4420

Any person may also examine the rate application at the office of the Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky.