


Shelby Energy
Cooperative, Inc.

Your Touchstone Energy® Partner 

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DEC 30 2009

PUBLIC SERVICE
COMMISSION

December 29, 2009

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, Ky 40602-0615

RE: Case No. 2009-00410

Dear Mr. Derouen:

Enclosed is an original and ten (10) copies of Shelby Energy Cooperative's rate application in Case No. 2009-00410.

Should you have any questions, please let us know.

Sincerely,



Debbie Martin
President & CEO

Copy to:

Office of Attorney General
Utility Intervention and Rate Division
1024 Capital Center Drive
Frankfort, KY 40601

www.shelbyenergy.com

620 Old Finchville Road • Shelbyville, Kentucky 40065-1714

Shelby Co. (502) 633-4420 • Trimble Co. (502) 255-3260 • Henry Co. (502) 845-2845



Shelby Energy Cooperative

Your Touchstone Energy® Partner



APPLICATION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF ADJUSTMENT
OF RATES OF SHELBY ENERGY
COOPERATIVE, INC.

CASE NO. 2009-00410

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

DEC 30 2009

PUBLIC SERVICE
COMMISSION

In the Matter of Adjustment of Rates)
for Shelby Energy Cooperative, Inc.)

Case No. 2009-00410

APPLICATION

Shelby Energy Cooperative, Inc. (herein designated as "Shelby") hereby makes application to the Kentucky Public Service Commission (herein designated as "Commission") for an adjustment of rates, as follows:

1. Shelby informs the commission that it is engaged in the business of operation of a retail electric distributions system in portions of ten (10) counties in north central Kentucky and does hereby propose to adjust rates, effective February 1, 2010, in conformity with this Application.

2. The name and post office address of the applicant is Shelby Energy Cooperative, Inc., 620 Old Finchville Road, Shelbyville, Kentucky, 40065 [807 KAR 5:001, Section 8(1)].

3. The Articles of Incorporation and all amendments thereto for Shelby were filed with the Commission in PSC Case No. 97-231, for a flow through rate reduction. [807 KAR 5:001, Section 8(3) and Section 10(1)(b)3].

4. The application is supported by a twelve month historical test period ending July 31, 2009 and includes adjustments for known and measurable changes [807 KAR 5:001, Section 10(1)(a)].

5. The reasons the rate adjustment is required pursuant to 807 KAR Section 10(1)(a)(1) are as follows:

a. Shelby last filed an increase in rates during 1983. Since then, Shelby has incurred increases in the cost of power, materials, equipment, labor, taxes, interest, debt service and other fixed and variable costs. Shelby has been required to borrow funds to finance its construction projects.

b. As a result of the costs increases listed above, Shelby's financial condition has deteriorated over the past few years.

c. Shelby had a Times Interest Earned Ratio (TIER) of 1.34 [a TIER of 1.13 excluding G&T capital credits], for the test year ending July 31, 2009. The TIER was 0.84 for calendar

year of 2008 (excluding G&T capital credits). Shelby is required under its mortgage agreement of maintain an operating TIER of 1.25, based on an average of two of the three most current years.

d. Shelby requires this rate adjustment to meet the terms of the mortgage agreement and to maintain its financial stability and integrity.

e. The Board of Directors of Shelby at its meeting on December 15, 2009, received the current financial condition of Shelby and the need for a rate adjustment to maintain the financial stability and integrity of the Cooperative. The Board of Directors adopted a resolution directing the administrative staff and consultants to proceed with the necessary application and filings with the Public Service Commission to adjust the rates of Shelby. A copy of the resolution is attached as Exhibit F.

6. Annual reports, including the most recent calendar year, are on file with the Commission in accordance with 807 KAR 5:006, Section 3(1) [807 KAR 5:001, Section 10(1)(a)2].

7. Shelby is not a limited partnership [807 KAR 5:001, Section 10(1)(b) 4].

8. Shelby files with this application a Certificate of Good Standing dates within 60 days of the date of this application and attached as Exhibit A. [807 KAR 5:001, Section 10(b)5].

9. Shelby does not conduct business under an assumed name [807 KAR 5:001, Section 10(1)(b)6].

10. The proposed tariff is attached as Exhibit B in a form that complies with 807 KAR 5:001 with an effective date not less than 30 days from the date of this application [807 KAR 5:001, Section 10(1)(b)7].

11. The proposed tariff changes, identified in compliance with 807 KAR 5:001, are shown by providing the present and proposed tariffs in comparative form on the same sheet, side by side, or on facing sheets, side by side, as Exhibit C [807 KAR 5:001, Section 10(1)(b)8].

12. Shelby has given notice to its members of the filing of this application in accordance with 807 KAR 5:001, Sections 10(3) and 10(4). Included in this notice is all of the information required by 807 KAR 5:001, Section 10(3)(a-c and e-h). A copy of the notice is attached as Exhibit D [807 KAR 5:001, Section 10(1)(b)9].

13. Shelby filed with the Commission a written notice of intent to file a rate application at least four (4) weeks prior to filing this application. The notice of intent stated the rate application would be supported by a historical test period and was served upon the Attorney General, Utility Intervention and Rate Division is shown as Exhibit E [807 KAR 5:001, Section 10(2)].

14. A complete description and qualified explanation for all proposed adjustments with proper support for any proposed changes in price or activity levels, and any other factors which may affect the adjustment, including a Revenue Analysis shown as Exhibit G [807 KAR 5:001, Section (10)(6)(a)].

15. The prepared testimony of each witness supporting the application are attached as Exhibits H [807 KAR 5:001, Section 10(6)(b)].

16. A statement estimating the effect the new rates will have upon the revenues of Shelby, including, at a minimum, the total amount of revenues resulting from the increase or decrease and the percentage of the increases or decreases and the percentage of the increase or decrease is shown by Exhibit G [807 KAR 5:001, Section 10(6)(d)].

17. The effect upon the average bill for each customer classification to which the proposed rate change will apply is shown by Exhibits I and J [807 KAR 5:001, Section 10(6)(e)].

18. An analysis of customers' bills in such detail that revenues from present and proposed rates can be readily determined for each customer class is shown by Exhibit J [807 KAR 5:001, Section 10(6)(g)].

19. A summary of the Cooperative's determination of its revenue requirements based on return on net investment rate base, return on capitalization, interest coverage, debt service coverage or operating ratio, with supporting schedules is shown by Exhibit K [807 KAR 5:001, Section 10(6)(h)].

20. A reconciliation of the rate base and capital used to determine its revenue requirements is shown by Exhibit L [807 KAR 5:001, Section 10(6)(i)].

21. A current chart of accounts is shown by Exhibit M [807 KAR 5:001, Section 10(6)(j)].

22. The independent auditor's report is attached as Exhibit N [807 KAR 5:001, Section 10(6)(k)].

23. The Federal Energy Regulatory Commission or Federal Communications Commission have not audited Shelby and no audit reports exist [807 KAR 5:001, Section 10(6)(l)].

24. No Federal Energy Regulatory Commission Form 1 exists as to Shelby [807 KAR 5:001, Section 10(6)(m)].

25. Shelby has never had a depreciation study preformed. [807 KAR 5:001, Section 10(6)(n)].

26. A list of commercially available or in-house developed computer software, programs, and models used in the development of the schedules and work papers associated with the filing of this application are attached as Exhibit O [807 KAR 5:001, Section 10(6)(o)].

27. No stock or bond offerings have been made by Shelby [807 KAR 5:001, Section 10(6)(p)].

28. Annual Reports to members for 2009 and 2008 are attached as Exhibit P [807 KAR 5:001, Section 10(6)(q)].

29. The monthly managerial reports providing financial results of operations for the twelve (12) months in the test period are attached as Exhibit Q [807 KAR 5:001, Section 10(6)(r)].

30. No Securities and Exchange Commission Annual Reports exist as to Shelby because it is not regulated by that regulated body [807 KAR 5:001, Section 10(6)(s)].

31. Shelby had no amounts charged or allocated to it by an affiliate or general or home office and did not pay monies to an affiliate or general or home office during the test period or during the previous three (3) calendar years [807 KAR 5:001, Section 10(6)(t)].

32. A cost of service study based on a methodology generally accepted within the electric industry and based on current and reliable data for the test period is attached as Exhibit R [807 KAR 5:001, Section 10(6)(u)].

33. Shelby is not a Local Exchange Carrier. [807 KAR 5:001, Section 10(6)(v)]

34. A detailed income statement and balance sheet reflecting the impact of all proposed adjustments is attached as Exhibit S [807 KAR 5:001, Section 10(7)(a)].

35. No “proposed pro forma adjustments reflecting plant additions” exist or apply to Shelby [807 KAR 5:001, Section 10(7)(b) and (c)].

36. The operating budget for each month of the period encompassing the pro forma adjustments is attached as Exhibit T [807 KAR 5:001, Section (7)(d)].

37. There were no customers to be added to the test period. [807 KAR 5:001, Section 10(7)(e)]

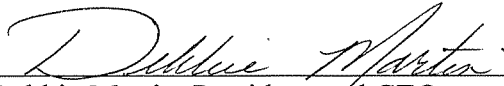
38. Additional financial exhibits required by 807 KAR 5:001, Section 10, financial information covering twelve (12) month historical test period ending July 31, 2009, and other information required to be filed is attached by exhibits, as follows:

Exhibit U	By-Laws
Exhibit V	Detailed comparative income statement, statement of cash flows and balance sheet
Exhibit W	Schedule showing monthly comparison of balance sheet accounts from Test year to Preceding year
Exhibit X	Schedule showing monthly comparison of income statement accounts from Test year to Preceding Year
Exhibit Y	Trial balance at end of test year
Exhibit Z	Capital structure
Exhibit 1	Adjustment for salaries and wages
Exhibit 2	Adjustment for payroll taxes
Exhibit 3	Adjustment for depreciation
Exhibit 4	Adjustment for property taxes
Exhibit 5	Adjustment for long term and short term interest
Exhibit 6	Adjustment for post-retirement benefits
Exhibit 7	Adjustment for retirement costs
Exhibit 8	Adjustment for donations
Exhibit 9	Adjustment for professional fees
Exhibit 10	Adjustment for director expenses
Exhibit 11	Adjustment for miscellaneous expenses
Exhibit 12	Adjustment for rate case expenses
Exhibit 13	Adjustment for cable television attachments
Exhibit 14	Adjustment for non-recurring charges
Exhibit 15	Adjustment for G&T capital credits allocated
Exhibit 16	Adjustment for purchase power
Exhibit 17	Adjustment for normalized revenue
Exhibit 18	Adjustment for end of year customer adjustment
Exhibit 19	KAEC Statistical Comparison
Exhibit 20	Capitalization policies and employee benefits
Exhibit 21	Equity management plan

WHEREFORE, SHELBY ENERGY COOPERATIVE, INC. applies and requests approval of the adjustment of rates as set forth in this application and issuance of an order approving and authorizing the new rates at the earliest possible date.


Dated: December 29th, 2009.

Shelby Energy Cooperative, Inc.



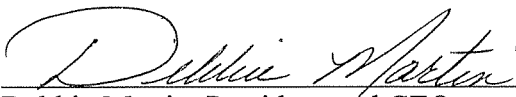
Debbie Martin, President and CEO

COUNSEL:
DONALD T. PRATHER
Mathis, Riggs & Prather, P.S.C.
Attorneys at Law
500 Main Street, Suite 5
Shelbyville, Kentucky 40066



Donald T. Prather, Attorney for
Shelby Energy Cooperative, Inc.

I, Debbie Martin, President and CEO, state that the statements contained in the foregoing application are true to the best of my information and belief.



Debbie Martin, President and CEO
Shelby Energy Cooperative, Inc.

Subscribed and sworn to before me by Debbie Martin as President & CEO of Shelby Energy Cooperative, Inc. this 29th day of December, 2009.



Notary Public, Kentucky State At Large

My Commission Expires: 10/2/11

**Commonwealth of Kentucky
Trey Grayson, Secretary of State**

Trey Grayson
Secretary of State
P. O. Box 718
Frankfort, KY 40602-0718
(502) 564-3490
<http://www.sos.ky.gov>

Certificate of Existence

Authentication number: 90120

Visit <http://apps.sos.ky.gov/business/obdb/certvalidate.aspx> to authenticate this certificate.

I, Trey Grayson, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

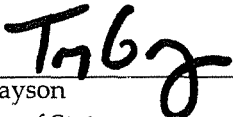
SHELBY ENERGY COOPERATIVE, INC.

is a corporation duly incorporated and existing under KRS Chapter 273, whose date of incorporation is June 14, 1937 and whose period of duration is perpetual.

I further certify that all fees and penalties owed to the Secretary of State have been paid; that Articles of Dissolution have not been filed; and that the most recent annual report required by KRS 273.3671 has been delivered to the Secretary of State.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 14th day of December, 2009, in the 217th year of the Commonwealth.




Trey Grayson
Secretary of State
Commonwealth of Kentucky
90120/0048230

Shelby Energy Cooperative, Inc.

ADOPTION NOTICE

The undersigned SHELBY ENERGY COOPERATIVE, INC.
(Name of Utility) System
of 620 Old Finchville Road
Shelbyville, KY 40065 hereby adopts, ratifies, and makes its own, in
every respect as if the same had been originally filed and posted by it, all tariffs and
supplements containing rates, rules and regulations for furnishing _____
electricity service at certified territory
(Nature of Service)

in the Commonwealth of Kentucky, filed with the Public Service Commission of Kentucky
by SHELBY RURAL ELECTRIC COOPERATIVE CORPORATION
(Name of Predecessor)
of 620 Old Finchville Road
Shelbyville, KY 40065, and in effect on the 4th day of _____
June, 1997, the date on which the public service business of the said
SHELBY RURAL ELECTRIC COOPERATIVE CORPORATION
(Name of Predecessor)

was taken over by it.

This notice is issued on the 11th day of June, 1997, in conformity
with 807 KAR 5:011, Section 11, of the Regulations for the filing of Tariffs of Public Utilities
with the Public Service Commission of Kentucky.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 04 1997

PURSUANT TO 807 KAR 5:011,
SECTION 9(1)
BY: Stephan Bell
SECRETARY OF THE COMMISSION

SHELBY ENERGY COOPERATIVE, INC.

By, Dudley Bottom, Jr.
Dudley Bottom, Jr.
President and General Manager

Authorized by K.P.S.C. ORDER NO. _____

P.S.C. Ky No. 8

Cancels P.S.C. Ky No. 7

SHELBY ENERGY COOPERATIVE, INC.

of

SHELBYVILLE, KENTUCKY 40065

RATES, RULES AND REGULATIONS FOR FURNISHING

at

Counties of: Shelby, Henry, Trimble, Carroll, Owen, Franklin,

Oldham, Jefferson, Spencer, and Anderson

Filed with PUBLIC SERVICE COMMISSION OF KENTUCKY

Issued

June 11, 1997

Effective

June 4, 1997

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE**

Issued By Shelby Energy Cooperative, Inc.
(Name of Utility)

JUN 04 1997

By *Dudley Bottom, Jr.*
Dudley Bottom, Jr.

President and General Manager

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: *Stephan D. Bell*
SECRETARY OF THE COMMISSION

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

FOR All Territory Served
P.S.C. No. 8
1st Revised SHEET NO. 1
CANCELLING P.S.C. NO. 8
Original SHEET NO. 1

RULES AND REGULATIONS

1. SCOPE

(T) This schedule of Rules and Regulations is hereby made a part of all contracts for electric service received from Shelby Energy Cooperative Inc., hereinafter referred to as the Cooperative, and applies to all service received, whether such service is based upon a contract, agreement, signed application, or otherwise. No employee or director of the Cooperative is permitted to make an exception to rates and rules. Regulations are on file at the Cooperative's office and can be obtained there from Cooperative personnel. All Rules and Regulations shall be in effect so long as they do not conflict with Public Service Commission Rules and Regulations.

2. REVISIONS

(T) These Rules and Regulations may be revised, amended, supplemented, or otherwise changed from time to time after approval by Shelby Energy Cooperative, Inc.'s Board of Directors and the Public Service Commission. Such changes, when effective, shall have the same force as the present Rules and Regulations.

3. SERVICE AREA

The Cooperative furnishes electric power supplied in portions of Shelby, Henry, Trimble, Carroll, Oldham, Franklin, Owen, Spencer, Anderson, and Jefferson Counties.

4. AVAILABILITY

Available to all members of the Cooperative as specified in the tariff sheets and classifications of service.

5. AVAILABILITY OF SERVICE TO DELINQUENT MEMBERS

If an application is received by a person residing with a delinquent member at the premises where power was supplied to the delinquent member, the application will be denied on the grounds that the applicant is applying as the agent of the delinquent member.

FEB 13 1998
PUBLIC SERVICE COMMISSION
KENTUCKY
SECTION 9(1)
BY: Stephen D. Bell

DATE OF ISSUE: January 13, 1998 EFFECTIVE DATE: February 13, 1998
ISSUED BY: Dwight B. Bell, Jr. President & General Manager Shelbyville, KY 40065
Name of Officer Title Address

Delby Energy Cooperative, Inc.
Delbyville, Kentucky

Name of Issuing Corporation

FOR All Territory Served
P.S.C. No. 8
Original SHEET NO. 2
CANCELLING P.S.C. NO. 7
SHEET NO. _____

RULES AND REGULATIONS

6. EASEMENTS

Each member, together with his/her spouse and all other real estate title owners, shall grant or convey to the Cooperative, without cost, any permanent easements reasonably required by the Cooperative to provide electric service to that member for the installation, maintenance, and operation of the Cooperative's electrical distribution system, both existing and future, with right of ingress and egress for these purposes over the Member's property, provided such electrical distribution system is located on real estate owned, rented, or otherwise controlled by the member. The failure or refusal to convey such easements shall constitute grounds for discontinuing service.

7. RIGHT OF ACCESS

Each member shall, at the time of application provide the Cooperative with permits or shall sign right-of-way easements furnished by said Cooperative. The Cooperative shall at all reasonable hours have access to meters, service connections, and other property owned by it and located on the consumer's premises for purposes of placing, locating, building, constructing, operating, replacing, rebuilding, relocating, repairing, improving, enlarging, extending, and maintaining on, over, or under such lands and premises, or removing therefrom its electrical distribution system, new or existing lines, wires, poles, anchors, and other necessary parts.

Any employee or agent of the Cooperative whose duties require him/her to enter the consumer's premises shall wear a distinguishing uniform or insignia, identifying him/her as an employee of the Cooperative, or carry on his/her person a badge or other identification which will identify them as an employee or agent of the Cooperative, the same to be shown upon request.

8. NO PREJUDICE OF RIGHTS

Failure by the Cooperative to enforce any of the terms of these Rules and Regulations shall not be deemed as a waiver of the right to do so.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 04 1997

PURSUANT TO 807 KAR 6.011,
SECTION 9(1)
June 4, 1997

DATE OF ISSUE: June 11, 1997

EFFECTIVE DATE: _____

ISSUED BY: _____

Daddy Britton Jr.
Name of Officer

President & General Manager

Title

BY: Stewart D. Sullivan
SECRETARY OF THE COMMISSION

Address

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

FOR All Territory Served
P.S.C. No. 9
1st Revised SHEET NO. 3
CANCELLING P.S.C. NO. 8
Original SHEET NO. 3

RULES AND REGULATIONS

9. APPLICATION OF ELECTRIC SERVICE

Each prospective member and/or spouse desiring electric service will be required to sign the Cooperative's form of "Application for Membership and Electric Service". Also, where applicable, the prospective consumer must sign a contract pertaining to their particular service. The prospective consumer must provide the Cooperative with all necessary electrical permits and fully executed right-of-way easements for his/her property, and all necessary load information at the time of application for service. The consumer may be required to furnish his/her Social Security number, phone number, permanent address, place of employment, and name of spouse.

10. (T) MEMBERSHIP

- (T) No member may hold more than one membership in the Cooperative. Discontinuance of service
- (T) will automatically terminate membership. Membership is not transferable from one member to
- (T) another.

11. CONTINUITY OF SERVICE

The Cooperative shall use reasonable diligence to provide a constant and uninterrupted supply of electrical power and energy, but if such a supply should fail or be interrupted or become defective through an act of God, or the public enemy, or by accident, strikes or labor troubles, or by action of the elements, or other permits needed, or for any other cause beyond the reasonable control of the Cooperative, the Cooperative shall not be liable.

12. NON-STANDARD SERVICE

The member or consumer shall pay the cost of any special installation necessary to meet his/her requirements for service at other than standard voltage, or for the supply of closer voltage regulation than required by standard practices.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

OCT 23 1997

DATE OF ISSUE: September 23, 1997
ISSUED BY: Dudley Bottom, Jr.
Name of Officer

EFFECTIVE DATE: October 23, 1997
PURSUANT TO 807 KAR 50.11 SECTION 9(1)
President & General Manager Shelbyville, KY 40065
Title Secretary of the Commission Address

FOR All Territory Served

P.S.C. No. 8

Original SHEET NO. 4

CANCELLING P.S.C. NO. 7

SHEET NO. _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 04 1997

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
RULES AND REGULATIONS

BY: Stephan B. Bell
SECRETARY OF THE COMMISSION

13. BILLING

The Cooperative's billing period and billing procedures are as specified in the applicable rate schedule/tariff for electric service. Failure to receive the bill will not release the consumer from payment obligation.

14. DEPOSITS

The Cooperative may require a minimum cash deposit or other guaranty to secure payment of bills except for consumers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection. Service may be refused or discontinued for failure to pay the requested deposit. Interest, as prescribed by KRS 278.460, will be paid annually either by refund or credit to the consumer's bill, except that no refund or credit will be made if the consumer's bill is delinquent on the anniversary date of the deposit.

The deposit may be waived upon a consumer's showing of satisfactory credit or payment history, and required deposits will be returned after one (1) year if the consumer has established a satisfactory payment record for that period. If a deposit has been waived or returned and the consumer fails to maintain a satisfactory payment record, a deposit may then be required. The Cooperative may require a deposit in addition to the initial deposit if the consumer's classification of service changes or if there is a substantial change in usage. Upon termination of service, the deposit, any principal amounts, and any interest earned and owing will be credited to the final bill with any remainder refunded to the consumer.

Residential/Commercial consumer's deposit shall be based upon actual usage of the consumer at the same or similar premises for the most recent 12-month period, if such information is available. If usage information is not available, the deposit will be based on the average bills of similar consumers and premises in the system. The deposit amount shall not exceed 2/12 of the consumer's actual or estimated annual bill where bills are rendered monthly.

In determining whether a deposit will be required or waived, the following criteria will be considered:

DATE OF ISSUE: June 11, 1997

EFFECTIVE DATE: June 4, 1997

ISSUED BY: Darby Bolton Jr.
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

FOR All Territory Served
P.S.C. No. 9
1st Revised SHEET NO. 5
CANCELLING P.S.C. NO. 8
Original SHEET NO. 5

RULES AND REGULATIONS

14. DEPOSITS (continued)

1. Previous payment history with the Cooperative. If the consumer has no previous history with the Cooperative, statements from other utilities, banks, etc. may be presented by the consumer as evidence of good credit.
2. Whether the consumer has an established income or line of credit.
3. Length of time the consumer has resided or been located in the area.
4. Whether the consumer owns property in the area.
5. Whether the consumer has filed bankruptcy proceedings within the last seven years.
6. Whether another consumer with a good payment history is willing to sign as a guarantor for an amount equal to the required deposit.
- (T) 7. Whether the member has a satisfactory credit record and rating as reported by credit bureaus/agencies.
- (T) 8. Whether the member has been found to have previously diverted or tampered with service.

If a deposit is held longer than 18 months, the deposit will be recalculated at the consumer's request based on the consumer's actual usage. If the deposit on account differs from the recalculated amount by more than \$10.00 for a residential consumer or 10% for a non-residential consumer, the Cooperative may collect any underpayment and shall refund any overpayment by check or credit to the consumer's bill. No refund will be made if the consumer's bill is delinquent at the time of the recalculation.

15. LEVELIZED (BUDGET) BILLING

Levelized/Budget Billing is available to all residential customers. The Levelized Payment Plan for each account is determined by:

1. A. For consumers on service with twelve (12) month's usage history, the charges for the past twelve (12) month's usage will be totaled.

For consumers with less than twelve (12) month's usage history, the available monthly charges for usage plus monthly charges from previous usage history to equal twelve (12) consecutive month's usage will be totaled. If no previous usage history is available, the remaining month's charges will be estimated by the Cooperative based on the electric needs of the service location.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

DATE OF ISSUE: September 26, 2001
ISSUED BY: *Dudley B. Batten Jr.*
Name of Officer

EFFECTIVE DATE: October 26, 2001
President and CEO
Title

October 26, 2001
Shelbyville, KY 40065
PURSUANT TO KRS 100.5-011
SECTION 9(1)
BY: *Stephan B. Bell*
SECRETARY OF THE COMMISSION

FOR All Territory Served
P.S.C. No. 8
Original SHEET NO. 6
CANCELLING P.S.C. NO. 7
SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

Name of Issuing Corporation

JUN 04 1997

RULES AND REGULATIONS
PURSUANT TO 807 KAR 5:011.
SECTION 9(1)

BY: Stephan B. Bell
SECRETARY OF THE COMMISSION

15. LEVELIZED (BUDGET) BILLING (continued)

1. A. For new consumers connecting to an established service location, charges for twelve (12) consecutive month's usage from previous usage history will be totaled. If no previous usage history is available, the charges will be estimated by the Cooperative based on the electric energy needs of the service location.

For consumers connecting to a new service location, the charges will be estimated by the Cooperative based on the electric energy needs of the service location.
- B. Dividing this total by twelve (12). This amount will then be the monthly payment for the account. Accounts with estimated payments will be monitored monthly and adjusted if usage indicates that the account will not be current upon payment of last budget amount.
- C. Each month the twelfth (12th) month of charges is dropped and the current month of charges added, keeping a twelve (12) month current average, thereby never having a catch-up month. Estimated accounts will be monitored monthly and adjusted if usage indicates that the account will not be current upon payment of last budget amount.
2. Each monthly bill will reflect the actual amount of electricity used and the status of the member's account, including the current amount to be paid.
3. Consumer agrees to make monthly payments when due or the agreement will be voided and the total balance, if any, will be due and payable.
4. The agreement remains in effect until canceled by the consumer or the Cooperative or by the member's failure to make payments as outlined above.

16. PARTIAL PAYMENT PLAN

Consumers who are unable to pay their bills may come to the office during regular office hours and make arrangements for a partial payment plan and retention of service. The consumer must

DATE OF ISSUE: June 11, 1997 EFFECTIVE DATE: June 4, 1997
ISSUED BY: Dudley Bolton Jr. President & General Manager Shelbyville, KY 40065
Name of Officer Title Address

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 04 1997

RULES AND REGULATIONS

PURSUANT TO 807 KAR 5-011.

SECTION 9 (1)

BY: Stephen O. Bell

SECRETARY OF THE COMMISSION

FOR All Territory Served

P.S.C. No. 8

Original SHEET NO. 7

CANCELLING P.S.C. NO. 7

SHEET NO. _____

16. PARTIAL PAYMENT PLAN (continued)

appear in person within the ten (10) day notice period to negotiate the partial payment plan to avoid collection of the bill or disconnection of the service.

The Cooperative shall negotiate and accept reasonable partial payment plans. The partial payment plan shall be mutually agreed upon and permit the consumer to become current in payment of the account within a timely manner. Should the partial payment plan extend for a period of longer than 30 days, the plan must be in writing and signed by the consumer. In addition to the payment of the current bill, the consumer may be offered an option of payment arrears by one (1) payment per month or more than one (1) payment per month. The consumer will be allowed to make additional payments or larger payments, at any time, in order to become current. The Cooperative will not negotiate a partial payment plan with a consumer who is delinquent under a previous partial payment plan.

17. CERTIFICATE OF NEED FROM DEPARTMENT FOR SOCIAL INSURANCE

Upon written certification from one of the Kentucky Department for Social Insurance offices, a consumer who is eligible for energy assistance under the Department's guidelines or is certified as being in genuine financial need, defined as any household with gross income at or below 130% of the poverty level, and who has been given a ten (10) day notice for nonpayment of his/her electric bill rendered between November 1 and March 31 and who presents such notice to the Department for Social Insurance, shall be allowed thirty (30) days in addition to such ten (10) day notice period in which to negotiate a partial payment plan with Shelby Energy provided such certification is delivered to Shelby Energy during the initial ten (10) day notice period by the applicant in person, by his/her agent, by mail, or by telephone call from an employee of the Department of Social Insurance. The thirty (30) day period shall begin to run at the end of the tenth day of the ten (10) day period.

When the consumer exhibits good faith by offering to make a present payment commensurate with his or her ability to do so and by agreeing to a repayment schedule which would permit the consumer to become current in the payment of his or her electric bill in a timely manner but no later than October 15, Shelby Energy will accept such partial payment plan. Shelby Energy

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ISSUED BY: Dudley Bottom Jr.
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

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FOR All Territory Served
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Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

JUN 04 1997

Name of Issuing Corporation

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

RULES AND REGULATIONS
BY Gregory S. Butler
SECRETARY OF THE COMMISSION

17. CERTIFICATE OF NEED FROM DEPARTMENT FOR SOCIAL INSURANCE (continued)

will also inform the consumer on the reverse side of the (10) day notice of the telephone number and address of the nearest office of the Kentucky Cabinet for Human Resources, Department of Social Insurance.

18. LOCATION OF METERS

Meters shall be easily accessible for reading, testing, and making necessary adjustments and repairs and shall be located at a site designated by Shelby Energy.

19. MONITORING OF CONSUMER USAGE

If a customer is discovered to have an unusual deviation in his/her monthly usage, the Cooperative will contact that customer to investigate that unusual deviation and offer energy auditing services to assist in determining the source of the deviation.

The Cooperative utilizes computer programs to flag unusual deviations in a consumer's usage on consumer accounts. KWH readings are also compared to the previous month's reading to assure that the new reading is at least greater than the previous reading. Any extremely large variations are also marked at this time.

The computer programs used to monitor unusual deviations are:

A. Data Entry Exception History: Immediately upon completion of data entry of new kWh readings, an exception listing appears which flags any readings that do not conform to previously set standards. Those standards are:

1. Attempt to enter a five digit reading to an account where only a four dial meter is installed.
2. A reading which would generate a bill for over 5,000 kWh for all accounts.
3. A reading which is lower than the previous month's reading.

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Dudley B. Butler, Jr.
Name of Officer

President & General Manager
Title

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Address

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. No. 8
1st Revised Sheet No. 9

Shelby Energy Cooperative, Inc.
Shelbyville, KY
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Canceling P.S.C. No. 8
Original Sheet No. 9

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19. MONITORING OF CONSUMER USAGE (continued)

B. High-Low Exception Report: Before the monthly bill calculations, a high-low exception report is run which flags any readings which would generate a bill usage 50% higher or 50% lower than the average of the three preceding months or the corresponding month one year ago.

If an unusual deviation cannot be readily determined, such as a keypunch error, the source document is checked to determine cause for excepting listing.

If the cause for unusual deviation cannot be identified from available documents, a meter reader is dispatched to obtain a new reading. This reading is then compared to the reading previously entered to determine variance.

20. RECONNECTION CHARGE:

When service has been disconnected for other than non-payment of delinquent bill and the Cooperative is requested to reconnect at the same location, a sixty-five dollar (\$65.00) (I) reconnect fee will be charged if reconnected outside the regular working hours.

21. COLLECTION OF DELINQUENT ACCOUNTS:

Should it become necessary for the Cooperative to send a representative to the consumer's premises for collection of a delinquent account, there may be a service call charge of thirty dollars (\$30.00) assessed if service is terminated, the bill is paid in the course of the trip, or payment (I) arrangements are made. The charge can only be made once in a billing period. The charge will be due and payable at the time such delinquent account is collected.

In the event a member is disconnected for non-payment of a delinquent account and requests reconnection during regular working hours, sixty-five dollar (\$65.00) service call charge shall be (I) collected. After regular working hours, the service call charge will be seventy-five dollars (\$75.00).

DATE OF ISSUE December 31, 2009 DATE EFFECTIVE; February 1, 2010

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. 8
1st Revised Sheet No. 10

Shelby Energy Cooperative, Inc.
Shelbyville, KY
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22. CHECKS RETURNED - UNHONORED BY BANK

When a check received in payment of a consumer's account is returned unpaid by the bank for any reason, the Cooperative will notify such consumer by letter, stating the amount of the check and reason for its return. Returned checks will then be considered the same as a delinquent account, and if payment is not received for the check within ten (10) business days after notification, service may be discontinued as prescribed under the section of Rules #16, 17, #21 and #25 dealing with unpaid accounts. A \$25.00 service charge shall be added to all returned unhonored checks. (I) The Cooperative shall have the right to refuse to accept checks in payment of an account from any consumer that has demonstrated poor credit risk.

23. TAMPERING

If meters or other property belonging to the Cooperative are tampered on interfered with, the consumer being supplied through such equipment shall pay the amount which the Cooperative may estimate is due for service rendered, but not registered on the Cooperative's meter and for such replacement and repairs as are necessary, as well as for costs of inspection, investigation, and protective installations.

24. NOTICE OF TROUBLE

The consumer shall give immediate notice at the office of the Cooperative of any interruption or irregularities or unsatisfactory service and of any defects known to the consumer.

The Cooperative may, as of deems necessary, suspend supply of electrical energy to any consumer or consumers for the purpose of making repairs, changes or improvements upon any part of its system.

25. DISCONTINUANCE AND REFUSAL OR TERMINATION OF SERVICE

Any member desiring service discontinued or changed from one address to another shall give the Cooperative three (#) days' notice, in person, writing, or telephone, provided such notice does not violate contractual obligations or tariff provisions. The consumer shall not be responsible for charges for service beyond the three (3) day notice period if the consumer provides reasonable

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Name of Officer

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Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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BY: Stephen O. Bell

25. DISCONTINUANCE AND REFUSAL OF SERVICE (continued)

access to the meter during the notice period. If the consumer notifies the utility of their request for termination by telephone, the burden of proof is on the consumer to prove that service termination was requested if a dispute arises.

The Cooperative may refuse or discontinue to serve an applicant or consumer under the following conditions:

- A. For noncompliance with its Rules and Regulations. However, the Cooperative shall not discontinue or refuse service to any consumer or applicant for violation of its Rules and Regulations without first having made reasonable effort to induce the consumer or applicant to comply with the Rules and Regulations as filed with the Public Service Commission. After such effort on the part of the Cooperative, service may be disconnected or refused only after the member shall have been given at least ten (10) days written notice of such intention, mailed to his/her last known address.
- B. When a dangerous condition is found to exist on the member's or applicant's premises, the service shall be discontinued without notice or refused, provided that the Cooperative notify the consumer or applicant immediately of the reasons for the discontinuance or refusal and the corrective action to be taken by them before service can be installed or restored.
- C. When a consumer or applicant refuses or neglects to provide reasonable access to the premises for the purposes of installation, operation, meter reading, maintenance, or removal of the Cooperative's property, employees or agents of the Cooperative may discontinue or refuse service only after the consumer or applicant shall have been given at least fifteen (15) days written notice of such intention.
- D. The Cooperative may not furnish service to any applicant when such applicant is indebted to the Cooperative for service furnished until such applicant shall have paid such indebtedness or negotiated a satisfactory agreement.

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Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

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P.S.C. No. 8

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Shelby Energy Cooperative, Inc.
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25. DISCONTINUANCE AND REFUSAL OR TERMINATION OF SERVICE (continued)

E. The Cooperative may refuse or discontinue service to a member or applicant if the consumer or applicant does not comply with state, county, or other codes, rules, and regulations applying to such service.

F. THE COOPERATIVE MAY DISCONTINUE SERVICE UNDER THE FOLLOWING CONDITIONS:

For non-payment of bills. However, the Cooperative shall not discontinue service to any member for non-payment of bills (including extra charges) without first having made reasonable effort to induce the member to pay same. The consumer shall be given at least ten (10) days written notice, but the disconnect shall not be effective for twenty-seven (27) days after the mailing date of the original bill. Such termination notice shall be exclusive of and separate from the original bill. If, prior to discontinuance of service, there is delivered to the Cooperative office or to its employees empowered to discontinue service, payment of the amount in arrears, the discontinuance of service shall not be made, or where a written certificate is filed signed by a physician, a registered nurse, or a public health officer, stating that in the opinion of the person making the certification, discontinuance of service will aggravate an existing illness or infirmity on the affected premises, service shall not be discontinued until the affected resident can make other living arrangements or until thirty (30) days elapse from the time of the Cooperative's notification to the member in writing of the existence of local, state, and federal programs providing for the payment of the Cooperative bills under certain conditions and of the offices to contact for such possible assistance. The written notice for any discontinuance of service shall advise the consumer of his/her rights to ~~public service commission~~ **public service commission** discontinuance.

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
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26. INSPECTIONS

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(T) Shelby Energy Cooperative, Inc. shall not initiate new permanent electric service until the required certificate of approval has been issued by a certified electrical inspector, as required by local or state laws.

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

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ISSUED BY: Dwight Betton, Jr.
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

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SECRETARY OF THE COMMISSION

27. TEMPORARY SERVICE

A member or consumer requesting temporary service may be required to pay all cost of construction, removing, connecting, and disconnecting service. Construction contractors, camps, campsites, barns, barnsites, sawmills, oil wells, carnivals, fairs, camp meetings, etc., after making application for service, will be provided service after they pay an advance fee equal to the reasonable cost of constructing and removing such facilities along with a deposit for estimated kWh usage.

Upon termination of temporary service, the payment paid on estimated usage will be adjusted to actual usage and either a refund or additional billing will be issued to such temporary member or consumer.

Temporary service used for such construction may only be utilized for a period not to exceed twelve (12) months after which time the service will be disconnected unless a written extension of time is obtained from the Cooperative.

28. CONSUMER'S LIABILITY

The consumer shall assume full responsibility for service upon his/her premises at and from the point of delivery thereof, and for wires, apparatus, devices, and appurtenances thereon used in connection with service. Consumer shall indemnify, hold harmless and defend the Cooperative against all claims, demands, cost or expense for loss, damage, or injury to persons or property in any manner directly or indirectly arising from, connected with, or growing out of the transmission or use of electricity by consumer at or on the consumer's side of point of delivery.

29. PROTECTION OF THE COOPERATIVE EQUIPMENT

The consumer shall protect the equipment of the Cooperative on his/her premises and shall not interfere with or alter or permit interference with or alteration of the Cooperative's meter or other property except by duly authorized representatives of the Cooperative.

For any loss or damage to the property of the Cooperative due to or caused by or arising from carelessness, neglect, vandalism, or misuses by the consumer or other unauthorized persons, the

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BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

29. PROTECTION OF THE COOPERATIVE EQUIPMENT (continued)

cost of the necessary replacement and repairs shall be paid for by the consumer. After proper negotiations with the Cooperative and if unable to reach an agreement, a court of law having jurisdiction over the parties shall determine the cost.

30. POINT OF DELIVERY

1. A. Approval shall be obtained from the Cooperative as to the proper location for a service entrance.
- B. Service entrances will be located on the exterior of the building nearest to the Cooperative's lines. For members desiring service entrances on any building at a location other than that closest to the Cooperative's lines, the additional estimated cost of such special construction as may be found necessary shall be borne by the member, and such cost shall be paid in advance before service can be connected.
- C. Service entrances, both overhead and underground, shall be installed in accordance with applicable codes, and the Cooperative shall not connect until the required certificate of compliance has been issued by the required certified electrical inspector. In event of an emergency, a temporary waiver may be issued by the Cooperative to allow connection pending completion of electrical inspection.
2. Point of service (or delivery) shall be that point where the facilities of the Cooperative join the member's facilities, irrespective of the location of the meter, and will normally be at the weatherhead on overhead lines and at the meter base on underground service. All wiring and equipment beyond this point of service shall be supplied and maintained by the member. The member will, however, notify the Cooperative of any proposed changes in his equipment or wiring which will materially increase or decrease his load so the Cooperative may check its equipment to make certain it will accommodate the member's load requirements.

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ISSUED BY: Daddy Bottom Jr.

President & General Manager

Shelbyville, KY 40065

Name of Officer

Title

Address

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OF KENTUCKY
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SECTION 9 (1)

BY: Stephen O. Bell

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31. RESALE OF POWER BY MEMBERS

All purchased electric service used on the premises of the member shall be supplied exclusively by the Cooperative, and the member shall not directly or indirectly sell, sublet, or otherwise dispose of the electric service or any part thereof, except by written contract approved by the Board of Directors of this Cooperative.

32. METER BASES

Meter bases are provided by the Cooperative for all normal new services and all normal service upratings. Special designs or unusual situations may require a contribution from the member.

33. METER READING

The Cooperative will provide meter reading services to all consumer accounts in accordance with the rates and tariffs filed with the Public Service Commission.

34. SEPARATE METER FOR EACH SERVICE

The Cooperative will normally furnish a single meter at the point of connection to the consumer's premises. Any consumer desiring service at two or more separately metered locations of connection to the system shall be billed separately at each point and the registration of such meters shall not be added for billing purposes, except by written contract approved by the Board of Directors of the Cooperative. Only one residence may be served for each meter location.

35. FRAUDULENT USE

When the Cooperative has discovered evidence that by fraudulent or illegal means, a consumer has obtained unauthorized service or has diverted the service for unauthorized use or has obtained same without being properly measured, the service to the consumer may be disconnected immediately and without notice. Within 24 hours after such termination, the utility shall send written notification to the consumer of the reasons for termination or refusal of service and of the consumer's right to challenge the termination by filing a complaint with the Public

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35. FRAUDULENT USE (continued)

BY: Stephen D. Bell
SECRETARY OF THE COMMISSION

Service Commission. The Cooperative shall not be required to restore service until the Cooperative has been reimbursed for the estimated amount of service rendered and the cost incurred by fraudulent use.

It shall be the duty of the Cooperative before making service connections to a new consumer to ascertain the condition of the meter and service facilities for such consumer in order that prior fraudulent use of the facilities, if any, will not be attributed to the new consumer, and the new consumer shall be afforded the opportunity to be present at such inspection. The Cooperative shall not be required to render service to such consumer until all defects in the consumer-owned portion of the service, if any, have been corrected.

36. METER POLE

The Cooperative may, upon request, serve a meter pole to be wired by the consumer. The electrical load should be sufficient to justify at least a 200 ampere service. A means of disconnect satisfying National Electric Code requirements shall be installed on the load side of the meter base. The meter pole and all equipment on said pole, exclusive of the meter shall be installed and owned by the consumer. The pole location shall be determined by the Cooperative and the service must comply with the applicable codes and be inspected as required by state and local laws.

37. RELOCATION OF LINES

When the Cooperative is requested or required to relocate its facilities for any reason, any expense involved will be paid by the firm, person, or persons requesting the relocation, unless one or more of the following conditions are met:

- A. The relocation is made for the convenience of the Cooperative.
- B. The relocation will result in a substantial improvement in the Cooperative's facilities.

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	Name of Officer	Title	Address

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BY: Stephen O. BCU
SECRETARY OF THE COMMISSION

37. RELOCATION OF LINES (continued)

C. That the relocation is associated with other regularly scheduled conversion or construction work and can be done at the same time.

38. A. NORMAL SERVICE EXTENSIONS

An extension to a permanent residence of one thousand (1,000) feet or less shall be made by Shelby Energy to its existing distribution line without charge for a prospective member who shall apply for and agree to use the service for one year or more and provides guarantee for such service. The "service drop" to the structure from the distribution line at the last pole shall not be included in the foregoing measurements. This distribution line extension shall be limited to service where installed transformer capacity does not exceed 25 KVA. Any extensions to a consumer who may require polyphase service or whose installed transformer capacity will exceed 25 KVA will be required to pay in advance additional cost of construction which exceeds that for a single phase line where the installed transformer capacity does not exceed 25 KVA.

38. B. OTHER EXTENSIONS

1. When an extension of Shelby Energy's line to service a member or a group of members amounts to more than 1,000 feet per member, the total cost of the excessive footage over 1,000 feet per member shall be deposited by the applicant or applicants based on the estimated cost of the total extension.
2. Each member receiving service under such extension will be reimbursed under the following plan:

Each year for a period of ten (10) years, which for the purpose of this rule shall be the refund period, the Cooperative shall refund to the member or members who paid for the excess footage the cost of 1,000 feet of the extension in place for each additional member connected during the year whose service line is directly connected to the extension installed and not to extensions or laterals therefrom, but in no case shall the total

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1st Revised SHEET NO. 18

RULES AND REGULATIONS

38. B. OTHER EXTENSIONS (continued)

- 2. amount refunded exceed the amount paid the Cooperative. After the end of the refund period, no refund will be required to be made. For additional consumers connected to an extension or lateral from the distribution line, the Cooperative shall refund to any consumer who paid for excessive footage the cost of 1,000 feet of line less the length of the lateral or extension.
- 3. An applicant desiring an extension to a proposed real estate subdivision may be required to pay the entire cost of the extension. Each year for a period of ten (10) years, the Cooperative shall refund to the applicant who paid for the extension, a sum equivalent to the cost of 1,000 feet of the extension installed for each additional member connected during the year; but in no case shall the total amount refunded exceed the amount paid to the Cooperative. After the end of the refund period from the completion of the extension, no refund will be required to be made.
- 4. The member may elect to clear the right-of way to reduce his cost of connection.

39. LINE EXTENSION TO MOBILE HOMES

- A. All extensions up to 300 feet from the nearest facility shall be made ~~at the~~ ^{PUBLIC SERVICE COMMISSION} ~~charge.~~ ^{of the utility charge.} EFFECTIVE
- B. All required fee charges and advances shall be paid before construction begins, and mobile home must be set in place before service can be extended. FEB 13 1998
- (T) C. The consumer shall install and own the meter pole and it shall meet the requirements of the applicable codes and shall be located at a site designated by Shelby Energy.

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ISSUED BY:

Dudley Bottom
Name of Officer

President & General Manager

Title

Shelbyville, KY 40065

Address

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Shelbyville, Kentucky

Name of Issuing Corporation

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1st Revised SHEET NO. 19

CANCELLING P.S.C. NO. 8

Original SHEET NO. 19

RULES AND REGULATIONS

39. LINE EXTENSION TO MOBILE HOMES (continued)

D. For extensions greater than 300 feet and less than 1,000 feet from the nearest facility, the Cooperative will charge a Consumer Advance For Construction (CAFC) based on the cost of construction for the portion of service beyond 300 feet, up to 1,000 feet.

(T)

1. The CAFC shall be refunded to the consumer over a four year period in equal amounts for each year the service is continued, and the start of the period refund begins with the initial billing date.

2. If the service is disconnected for a period of sixty (60) days or should the mobile home be removed and another not take its place or be replaced by a permanent structure, the remainder of the CAFC shall be forfeited.

3. No refunds shall be made to any consumer who did not make the CAFC originally.

4. The member may elect to clear the right-of-way to reduce his cost of connection.

E. For extensions greater than 1,000 feet the provisions, as stated in Part D, apply to the first 1,000 feet. For that portion of the line over 1,000 feet, the utility will charge the consumer the cost of construction for that portion of service beyond 1,000 feet. The deposit for that portion over 1,000 feet is subject to refund as follows:

1. Each year for a period of ten (10) years, which shall be the refund period, for that portion over 1,000 feet the provisions of (38B) will apply.

F. Mobile home meter poles shall be wired and inspected according to the applicable codes and shall be wired and inspected at the expense of the consumer.

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IN ACCORDANCE WITH 807 KAR 5:911,
SECTION 9(1)

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ISSUED BY: Dwight Bottom, Jr.
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
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Shelbyville, Kentucky

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39. LINE EXTENSION TO MOBILE HOMES (continued)

G. Any consumer who puts up a mobile home line extension CAFC and replaces his mobile home with a permanent residence which is connected directly to the line for which the CAFC was made, shall be refunded the CAFC upon terms and conditions of the normal service extension policy for permanent residence.

40. ELECTRIC SERVICE TO CAMPS AND BARN, PUMPS, ETC.

(T) A. Construction to a permanent camp, campsite, barn, or barnsite, or other services with low usages, whereby low usage is any usage pattern that is substantially less than that of an average permanent single family residence, is as follows:

B. All required fee charges and advances shall be paid before construction begins.

(T) C. All extensions up to 300 feet from the nearest facility shall be made without charge.

D. For extensions greater than 300 feet and less than 1,000 feet from the nearest facility, the Cooperative will charge a Consumer Advance for Construction (CAFC) based on the cost of construction for the portion of service beyond 300 feet, up to 1,000 feet. The deposit for that portion greater than 300 feet and less than 1,000 feet is subject refund as follows:

(T)

1. The CAFC shall be refunded to the consumer over a four year period in equal amounts for each year the service is continued, and the start of the period refund begins with the initial billing date.

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2. If the service is disconnected for a period of sixty (60) days or should the service be removed and another not take its place or be replaced by a permanent structure, the remainder of the CAFC shall be forfeited.

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Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 04 1997

FOR All Territory Served

P.S.C. No. 8

Original SHEET NO. 21

CANCELLING P.S.C. NO. 7

SHEET NO. _____

PURSUANT TO 807 KAR 5.011.
RULES AND REGULATIONS SECTION 9 (1)

BY: Stephan B. ...
SECRETARY OF THE COMMISSION

40. ELECTRIC SERVICE TO CAMPS AND BARNES, PUMPS, ETC. (continued)

- D. 3. No refunds shall be made to any consumer who did not make the CAFC originally.
- 4. The member may elect to clear the right-of-way to reduce his cost of connection.
- E. For extensions greater than 1,000 feet the provisions, as stated in Part D, apply to the first 1,000 feet. For that portion of the line over 1,000 feet, the utility will charge the consumer the cost of construction for that portion of service beyond 1,000 feet. The deposit for that portion over 1,000 feet is subject to refund as follows:

Each year for a period of ten (10) years, which shall be the refund period, for that portion over 1,000 feet the provisions of (38B) will apply.
- F. Any consumer who puts up a service line extension CAFC and replaces this service with a permanent residence which is connected directly to the line for which the CAFC was made, shall be refunded the CAFC upon terms and conditions of the normal service extension policy for permanent residence.

41. UNDERGROUND ELECTRIC SERVICE

The purpose of this policy is to formulate requirements for underground electrical service for individuals and subdivisions, the application of which will insure adequate service and safety to all persons engaged in the construction, maintenance, operation, and use of underground facilities and to the public in general.

- A. Applicability - This policy shall only apply to underground electrical supply facilities used in connection with electric distribution within the definitions set out herein.
- B. Definitions - The following words and terms, when used in this policy, shall have the meaning indicated:

DATE OF ISSUE: June 11, 1997

EFFECTIVE DATE: June 4, 1997

ISSUED BY: Dudley Bottom Jr.

President & General Manager

Shelbyville, KY 40065

Name of Officer

Title

Address

FOR All Territory Served
P.S.C. No. 8
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Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky
Name of Issuing Corporation

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 04 1997

RULES AND REGULATIONS
SUBORDINATE TO 807 KAR 5:011
SECTION 9(1)

BY: Stephen D. Bell
SECRETARY OF THE COMMISSION

41. UNDERGROUND ELECTRIC SERVICE (continued)

B. Applicant - The developer, builder, or other person, partnership, association, corporation, or governmental agency applying for the installation of an underground electric distribution system.

Building - A structure enclosed within exterior walls or fire walls built, erected, or framed of component structural parts and designed for less than five (5) family occupancy.

Multiple-Occupancy Building - A structure enclosed within exterior walls or fire walls, built, erected, and framed of component structural parts and designed to contain five (5) or more individual dwelling units.

Distribution System - Electric service facilities consisting of primary and secondary conductors, transformers, and necessary accessories and appurtenances for the furnishing of electric power at utilization voltage.

Subdivision - The tract of land which is divided into ten (10) or more lots for the construction of new residential buildings, or the land on which is constructed two (2) or more new multiple occupancy buildings.

Commission - The Public Service Commission

Trenching and Backfilling - Opening and preparing the ditch for the installation of conduits, raceways, and conductors, providing a sand bedding when required, and the compacting and backfilling of trench to ground level.

C. Right-of-Way and Easements

1. The Cooperative shall construct or cause to be constructed, own, operate, and maintain distribution lines only along easements, public streets, roads, and highways which are by legal right accessible to the Cooperative's equipment and which the Cooperative has the legal right to occupy, and the public lands and

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ISSUED BY: *David Bottom Jr.* President & General Manager Shelbyville, KY 40065
Name of Officer Title Address

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Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky
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PUBLIC SERVICE COMMISSION
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JUN 04 1997
 RULES AND REGULATIONS

PURSUANT TO 807 KAR 5:011,
 SECTION 9 (1)

41. UNDERGROUND ELECTRIC SERVICE BY Stephanie D. Bell
 SECRETARY OF THE COMMISSION

- C. 1. private property across which rights-of-way and easements satisfactory to the Cooperative are provided without cost or condemnation by the Cooperative.
- 2. Rights-of-way and easements suitable to the Cooperative for the underground distribution facilities must be furnished by the applicant in reasonable time to meet service requirements. The applicant shall make the area in which the underground distribution facilities are to be located accessible to the Cooperative's equipment, remove all obstructions from such area, stake to show property lines and final grade, perform rough grading to a reasonable approximation of final grade, and maintain clearing and grading during construction by the Cooperative. Suitable land rights shall be granted to the Cooperative, obligating the applicant and subsequent property owners to provide continuing access to the Cooperative for operation, maintenance, or replacement of its facilities, and to prevent any encroachment in the Cooperative's easement including changes in grade or elevation thereof.

D. Installation of Underground Distribution System Within New Subdivision

- 1. Where appropriate contractual arrangements have been made, the Cooperative shall install within the subdivision an underground electric distribution system of sufficient capacity and suitable materials which, in its judgment will assure that the property owners will receive safe and adequate electric service for the foreseeable future.
- 2. All single-phase conductors installed by the utility shall be underground. Appurtenances such as transformers, pedestal-mounted terminals, switching equipment, and meter cabinets may be placed above ground.
- 3. Three-phase primary mains or feeders required within a subdivision to supply local distribution or to serve individual three-phase loads may be overhead unless underground is required by governmental authority or chosen by the applicant, in

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 ISSUED BY: Dorothy Bottom J. President & General Manager Shelbyville, KY 40065
 Name of Officer Title Address

FOR All Territory Served
 PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE P.S.C. No. 8
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Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky
 Name of Issuing Corporation

JUN 04 1997 CANCELLING P.S.C. NO. 7

PURSUANT TO 807 KAR 5.011, SECTION 9(1) SHEET NO. _____

RULES AND REGULATIONS BY Shelby O. Bell SECRETARY OF THE COMMISSION

41. UNDERGROUND ELECTRIC SERVICE (continued)

D. Installation of Underground Distribution System Within New Subdivision

3. either of which case the differential cost of underground shall be borne by the applicant.
4. If the Applicant has complied with the requirements herein and has given the Cooperative not less than 120 days written notice prior to the anticipated date of completion (i.e., ready for occupancy) of the first building in the subdivision, the Cooperative shall complete the installation 30 days prior to the estimated completion date. (Subject to weather and ground conditions and availability of materials and barring extraordinary or emergency circumstances beyond the reasonable control of the Cooperative). However, nothing in this policy shall be interpreted to require the Cooperative to extend to service portions of the subdivisions not under active development.
5. A non-refundable payment shall be made by the Applicant equal to the difference between the cost of providing underground facilities and that of providing overhead facilities. The payment to be made by the applicant shall be determined from the total footage of single-phase primary, secondary and service conductor to be installed at an average per foot cost differential in accordance with the average cost differential filed with the Public Service Commission. Where rock, shale, or other impairments are anticipated or encountered in construction, the actual increased cost of trenching and backfilling shall be borne by the Applicant.
6. The Applicant may be required to contribute the entire estimated cost of the extension. If this is done, the amount contributed in excess of the normal charge for the underground extensions, as provided in Paragraph 5 above shall be refunded to the Applicant over a ten (10) year period as provided by the Public Service Commission.
7. The Cooperative normally will perform or cause to be performed all necessary trenching and backfilling. The Applicant may elect to perform all necessary

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 ISSUED BY: Dudley Bottom, Jr. President & General Manager Shelbyville, KY 40065
 Name of Officer Title Address

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FOR All Territory Served

P.S.C. No. 8

Original SHEET NO. 25

CANCELLING P.S.C. NO. 7

SHEET NO. _____

JUN 04 1997

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Stephen O. Best
SECRETARY OF THE COMMISSION

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

41. UNDERGROUND ELECTRIC SERVICE (continued)

D. Installation of Underground Distribution System Within New Subdivision

7. trenching and backfilling in accordance with the Cooperative's specification. The Cooperative shall then credit the Applicant's cost in an amount equal to the Cooperative's normal cost for trenching and backfilling. However, the Cooperative personnel must be present at the time of backfilling if the Applicant elects to trench and backfill.
8. The Cooperative shall furnish, install, and maintain the service lateral to the Applicant's meter base. The Applicant may elect to perform the trenching, conduit installation, and backfilling relative to the installation of the service lateral. This work performed by the applicant must be inspected and approved by Cooperative personnel or agents before backfilling is completed. The Cooperative shall then credit the Applicant's cost in an amount equal to the Cooperative's normal cost for such work.
9. Plans for the location of all facilities to be installed shall be approved by the Cooperative and Applicant prior to construction. Alterations in plans by the Applicant which require additional cost of installation or construction shall be at the sole expense of the Applicant.
10. The Cooperative shall not be obligated to install any facility within a subdivision until satisfactory arrangements for the payment of charges have been completed by the Applicant.
11. The charges specified in these rules are based on the premise that each Applicant will cooperate with the Cooperative in an effort to keep the cost of construction and installation of the underground electric distribution system as low as possible and make satisfactory arrangements for the payment of the above charges prior to the installation of the facilities.

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ISSUED BY: *Dudley Patton Jr.*
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. No. 8
1st Revised Sheet No. 26

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

Canceling P.S.C. No. 8
Original Sheet No. 26

RULES AND REGULATIONS

41. UNDERGROUND ELECTRIC SERVICE continued

D. Installation of Underground Distribution System Within New Subdivisions

12. All electrical facilities shall be installed and constructed to comply with the Rules and Regulations of the Public Service Commission, all applicable codes, and Shelby Energy specifications.

13. For all other developments that do not meet the conditions set forth in these rules underground distribution will be installed provided a Customer Advance For Construction to the Cooperative is made in an amount equal to the difference between the Cooperative's estimated cost of underground facilities and overhead facilities, which it would otherwise provide.

42. METER TESTING

Each and ever watt-hour meter installed by the Cooperative on consumer's premises shall be tested periodically without charge to the consumer. Any other request for meter test shall be complied with by the Cooperative and the consumer may be required to pay a \$32.50 meter test (I) deposit. If the meter tests more than 2% fast, the \$32.50 deposit shall be returned to the (I) consumer and a credit, based on Public Service Commission Rules and Regulations shall be issued by the Cooperative to the consumer. If the meter is more than 2% slow, the member shall be billed for the difference, based on Public Service Commission Rules and Regulations. If the meter tests within the Commission's limits, the \$32.50 may be retained to offset the cost of the (I) meter test. Such tests may not be made more frequently than once each twelve (12) months.

32. TAXES

Pursuant to the authority vested in KRS 139.210, there shall be added to the bill of all applicable subscribers, the sales and use tax imposed by KRS 1239.200. The Utility Gross Receipts License Tax for schools is authorized by KRS 160.613 shall be added to all applicable subscriber's bills in accordance with KRS 160.617, which authorizes a rate increase for the school tax.

DATE OF ISSUE December 31, 2009

DATE EFFECTIVE; February 1, 2010

ISSUED BY _____
Name of Officer

TITLE: President & CEO

FOR All Territory Served

P.S.C. No. 8

Original SHEET NO. 27

CANCELLING P.S.C. NO. 7

SHEET NO. _____

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

RULES AND REGULATIONS

44. VOLTAGE FLUCTUATIONS CAUSED BY MEMBER OR CONSUMER

Electric service must not be used in such a manner as to cause unusual fluctuations or disturbances to the Distribution System. The Cooperative may require the consumer, at his/her own expense, to install suitable apparatus which will reasonably limit such fluctuation.

45. CONFLICT

In case of conflict between any provisions of any rate schedule and the schedule of Rules and Regulations, the rate schedule/tariff shall apply.

46. FILING AND POSTING

A copy of these Rules and Regulations, together with a copy of the Cooperative's schedule of rates and charges, shall be kept open to inspection at the office of the Cooperative.

47. CLASSIFICATION OF CONSUMERS

Classification of consumers for accounting purposes is in accordance with the prescribed RUS Manual of Accounts.

48. STANDARD NOMINAL VOLTAGES

The standard nominal voltages for single and polyphase services throughout the distribution system are as specified below. Availability of a service voltage(s) is contingent upon existing service voltages(s) and other system parameters.

<u>Single Phase (volts)</u>	<u>Three Phase (volts)</u>
120/240	120/208 Y
240/480	240 delta
7,200	240 delta, 120/240 lighting
14,400	277/480 Y
	480 delta
	7,200/12,470 Y
	14,400/24,940 Y

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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JUN 04 1997

PURSUANT TO 807 KAR 5.011.
SECTION 9 (1)
BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE: June 11, 1997

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ISSUED BY: Dudley Britton, Jr.
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

FOR All Territory Served
 P.S.C. No. 9
 3rd Revised SHEET NO. 28
 CANCELLING P.S.C. NO. 8
 2nd Revised SHEET NO. 28

Shelby Energy Cooperative, Inc.
 Shelbyville, Kentucky

Name of Issuing Corporation

RULES AND REGULATIONS



Shelby Energy Cooperative, Inc.

Your Touchstone Energy® Partner
 P.O. Box 309
 Shelbyville, KY 40086-0309
 (502) 633-4420
 (502) 255-3001

(502) 845-2845
 (800) 292-6585

Office Hours:
 7:30 a.m. - 4:30 p.m. EST
 Monday - Friday

Website: www.shelbyenergy.com

ACCOUNT NUMBER		ACCOUNT NAME			SERVICE ADDRESS			METER NUMBER	BILL DATE
SERVICE PERIOD		NO. DAYS	METER READING			METER MULTIPLIER	BILLED DEMAND	KILOWATT HOURS	CHARGES
FROM	TO		PREVIOUS	PRESENT	ESTIMATED				
SERVICE LOCATION		TELEPHONE							
COMPARISONS		DAYS SERVICE	TOTAL KWH	AVG. KWH/DAY	CYCLE	TOTAL DUE NOW			
CURRENT BILLING PERIOD						RATE	DUE DATE	BILL IS DELINQUENT AFTER DUE DATE	
PREVIOUS BILLING PERIOD								AFTER DUE DATE PAY	
SAME PERIOD LAST YEAR									
Your Electricity Use Over The Last 13 Months									
CUSTOMER CHOICE PROGRAMS - AUTOMATIC BANK DRAFT PAYMENT, LEVELIZED BILLING AND FIXED BUDGET BILLING. CALL OUR OFFICE FOR DETAILS.									

IMPORTANT INFORMATION FROM YOUR ELECTRIC COOPERATIVE
 Payments are accepted at our offices in Shelbyville & Bedford, KY.
 Outside depository is available after hours for your convenience.
 Please allow ample time for delivery before the due date when mailing your payment.
 Failure to receive bill does not void penalties for late payment and service disconnection.

To Report a Power Outage, Call 1-800-292-6585

Ask us about customized billing:

- Automatic Bank Draft Payment
- Levelized/Fixed Billing
- Outdoor Lighting
- Optional Residential Rate

KEEP THIS STATEMENT FOR YOUR RECORDS

PLEASE DETACH AND RETURN THIS PORTION WITH PAYMENT

KY06000



SHELBY ENERGY COOPERATIVE, INC.

Your Touchstone Energy® Partner
 P. O. Box 309
 Shelbyville, KY 40086-0309

ADDRESS SERVICE REQUESTED

Voluntary donations to WinterCare will help less fortunate families and others in our area stay warm.

ACCOUNT NUMBER	CYCLE	BILL DATE
SERVICE LOCATION		
DUE DATE	AMOUNT DUE	
AMOUNT AFTER DUE DATE		
WINTERCARE DONATION	\$	
TOTAL AMOUNT ENCLOSED	\$	

**PUBLIC SERVICE COMMISSION
 OF KENTUCKY**
 SHELBY ENERGY COOPERATIVE
 P O BOX 309
 SHSBLBYVILLE, KY 40086-0309
 EFFECTIVE 11/5/2006
 PURSUANT TO 807 KAR 5:011
 SECTION 9 (1)

DATE OF ISSUE: October 5, 2006

EFFECTIVE D By [Signature] mber 5, 2006

ISSUED BY: _____

President and CEO _____ Executive Director, KY 40065

Name of Officer

Title

Address

FOR All Territory Served
P.S.C. No. 8
1st Revised SHEET NO. 29
CANCELLING P.S.C. NO. 8
Original SHEET NO. 29

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

RULES AND REGULATIONS

50. ENERGY EMERGENCY CONTROL PROGRAM - Re: PSC Admin. Case No. 353

(T) Purpose - To provide a plan for reducing the consumption of electric energy on Shelby Energy Cooperative, Inc.'s system in the event of a severe electric energy shortage.

For the purpose of this program, the following priority levels have been established:

- I. Essential Health and Safety Uses -- as defined in Appendix A
- II. Residential Use
- III. Commercial and Industrial Uses
- IV. Nonessential Uses -- as defined in Appendix B
- V. Interruptible Loads
- VI. Direct Load Control

Procedures - The Wholesale Power Cooperative, East Kentucky Power Cooperative, Inc., ("EKPC"), will notify Shelby Energy in the event of a severe electric energy shortage, and the following steps will be implemented. These steps will be carried out to the extent not prohibited by contractual commitments or by order of the regulatory authorities having jurisdiction.

EKPC and Shelby Energy will take the following actions listed in priority order PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

- 1. EKPC will initiate Direct Load Control and notify Shelby Energy.
- 2. EKPC will interrupt Interruptible Loads and notify Shelby Energy.
- 3. Shelby Energy will initiate its Load Reduction Procedure, Appendix C.

FEB 13 1998
PURSUANT TO 807 KAR 5:011
SECTION 9(1)
BY Stephan D. Bell
MEMBER OF THE COMMISSION

DATE OF ISSUE: January 13, 1998 EFFECTIVE DATE: February 13, 1998
ISSUED BY: Dwight Patton, Jr. President & General Manager Shelbyville, KY 40065
Name of Officer Title Address

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

FOR All Territory Served
P.S.C. No. 8
Original SHEET NO. 30
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SHEET NO. _____

RULES AND REGULATIONS

50. ENERGY EMERGENCY CONTROL PROGRAM - (continued)

4. EKPC will notify Shelby Energy to initiate its Voltage Reduction Procedure, Appendix D.
5. EKPC will notify Shelby Energy and EKPC and Shelby Energy will initiate media appeal for general Voluntary Load Reduction Procedure, Appendix E.
6. EKPC will, in coordination with other Kentucky electric utilities, request the Governor to declare a statewide Energy Emergency.
7. EKPC will request Shelby Energy to initiate mandatory load reduction of up to twenty percent (20%) in five percent (5%) steps, Appendix F.

PUBLIC SERVICE COMMISSION
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JUN 04 1997

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)
BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

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ISSUED BY: Dwight Bottom, Jr. President & General Manager Shelbyville, KY 40065
Name of Officer Title Address

FOR All Territory Served

PUBLIC SERVICE COMMISSION
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JUN 04 1997

SHEET NO. _____

PURSUANT TO 807 KAR 5:011.
SECTION 9 (1)

RULES AND REGULATIONS
BY Sharon O. Bell
SECRETARY OF THE COMMISSION

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

APPENDIX "A"

ESSENTIAL HEALTH AND SAFETY USES

Essential health and safety uses given special consideration in these procedures shall, insofar as the situation permits, include the following types of use and such other uses which the Commission may subsequently identify:

- (a) "Hospitals", which shall be limited to institutions providing medical care to patients.
- (b) "Life Support Equipment", which shall be limited to kidney machines, respirators, and similar equipment used to sustain the life of a person.
- (c) "Police Stations and Government Detention Institutions", which shall be limited to essential uses required for police activities and the operation of facilities used for the detention of persons. These uses shall include essential street, highway and signal-lighting services.
- (d) "Fire Stations", which shall be limited to facilities housing mobile fire-fighting apparatus.
- (e) "Communication Services", which shall be limited to essential uses required for telephone, telegraph, television, radio and newspaper operations.
- (f) "Water and Sewage Services", which shall be limited to essential uses required for the supply of water to a community, flood pumping and sewage disposal.
- (g) "Transportation and Defense-related Services", which shall be limited to essential uses required for the operation, guidance control and navigation of air, rail and mass transit systems, including those uses essential to the national defense and operation of state and local emergency services.
- (h) "Other Energy Source Services", which shall be limited to essential uses required for the production, transportation, transmission and distribution -- for fuel -- of natural or manufactured gas, coal, oil or gasoline.

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ISSUED BY: Dorothy Bottom, Jr.
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

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P.S.C. No. 8
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SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

RULES AND REGULATIONS

Appendix "A" - Essential Health and Safety Uses (continued)

- (i) "Perishable Food or Medicine", which shall be limited to refrigeration for the storage and preservation of perishable food or medicine, when that use is substantially all of the customer's load.

Although these types of uses will be given special consideration when implementing the manual load-shedding provisions of this procedure, these customers are encouraged to install emergency generation equipment if continuity of service is essential. In case of customers supplied from two utility sources, only one source will be given special consideration. Also, any other customers who, in their opinion, have critical equipment should install emergency generation equipment. Shelby Energy's specific emergency list is on file in its office.

PUBLIC SERVICE COMMISSION
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BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

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ISSUED BY: *Drudley Patton* President & General Manager Shelbyville, KY 40065
Name of Officer Title Address

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

RULES AND REGULATIONS

APPENDIX "B"

NONESSENTIAL USES

The following and similar types of uses of electric energy and others which the Commission may subsequently identify shall be considered nonessential for all customers:

- (a) Outdoor flood and advertising lighting, except for the minimum level to protect life and property, and a single illuminated sign identifying commercial facilities when operating after dark.
- (b) General interior lighting levels greater than minimum functional levels.
- (c) Show-window and display lighting.
- (d) Parking-lot lighting above minimum functional levels.
- (e) Energy use greater than that necessary to maintain a temperature of not less than 76 degrees during operation of cooling equipment and not more than 68 degrees during operation of heating equipment.
- (f) Elevator and escalator use in excess of the minimum necessary for non-peak hours of use.
- (g) Energy use greater than that which is the minimum required for lighting, heating or cooling of commercial or industrial facilities for maintenance cleaning or business-related activities during non-business hours.

PUBLIC SERVICE COMMISSION
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BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

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ISSUED BY: Darrell Bottoms Jr. President & General Manager Shelbyville, KY 40065
Name of Officer Title Address

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

FOR All Territory Served
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Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

JUN 04 1997

Name of Issuing Corporation

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan O Bell
SECRETARY OF THE COMMISSION

RULES AND REGULATIONS

APPENDIX "C"

LOAD REDUCTION PROCEDURE

Objective:

To reduce demand at Shelby Energy's facilities over the time period during which an electric energy shortage is anticipated.

Criteria:

This procedure is implemented when a *Load Reduction Alert* is issued. The President and General Manager has the responsibility of issuing a Load Reduction Alert.

Procedure:

1. The President and General Manager receives notice from EKPC of capacity shortage.
2. The President and General Manager is responsible for seeing that employees are participating in achieving the largest load reduction possible while still maintaining the service of the facility and not unduly jeopardizing safety.
3. Each Department Manager is responsible for seeing that employees are participating in achieving the largest load reduction possible while still maintaining the service of the facility and not unduly jeopardizing safety.
4. Examples of load reduction are:
 - turning off all but a minimum of indoor and outdoor lighting
 - turning off microcomputers, printers, copiers, and other office equipment except as they are used
 - in the winter, setting thermostats no higher than 68 degrees, and in the summer no lower than 76 degrees

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ISSUED BY: Dwight Bottom Jr. President & General Manager Shelbyville, KY 40065
Name of Officer Title Address

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Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

 Name of Issuing Corporation

RULES AND REGULATIONS

APPENDIX "D"

VOLTAGE REDUCTION PROCEDURE

Objective:

To reduce demand on Shelby Energy's system over the period during which an electric energy shortage is anticipated by reducing the set point on system voltage regulators.

Criteria:

This procedure is implemented when requested by EKPC System Operator.

Procedure:

Shelby Energy will immediately dispatch personnel to reduce set points on regulators as much as possible while continuing to maintain minimum voltage requirements as prescribed by the Kentucky Public Service Commission. Shelby Energy's specific plan is on file in its office.

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE

JUN 04 1997

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 SECTION 9(1)

BY: Stephan Bell
 SECRETARY OF THE COMMISSION

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 ISSUED BY: Dudley Bottom, Jr. President & General Manager Shelbyville, KY 40065
 Name of Officer Title Address

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

FOR All Territory Served
P.S.C. No. 8
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CANCELLING P.S.C. NO. 8
Original SHEET NO. 36

RULES AND REGULATIONS

APPENDIX "E"

VOLUNTARY LOAD REDUCTION PROCEDURE

Objective:

To reduce demand on Shelby Energy's system over the period during which an electric energy shortage is anticipated through media appeal for consumers to curtail energy use.

Criteria:

This procedure is implemented when requested by EKPC Marketing and Communications Division personnel.

Procedure:

Notify the following radio stations: WHAS, Louisville; WIKI, Carrollton; WKX, Eminence; and WCND, Shelbyville of the electrical shortage and ask them to make the public service announcement recommended by EKPC personnel. An example announcement is as follows:

"Attention all Rural Electric Members:

Shelby Energy is experiencing a critical shortage of electricity to its members, and is requesting that all non-essential electrical appliances and lighting be turned off, and thermostats be lowered/raised immediately until (time of emergency).

(T) Shelby Energy is encountering record high usage of electricity during this period of extreme low/high temperatures, and to help us keep from having a power blackout in your area, we need your help NOW until (time of emergency).

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

Please turn off all electricity you do not have to have on.

FEB 13 1998

Thank you for your cooperation."

PURSUANT TO 807 KAR 5.011
SECTION 9 (1)

Notify the following industrial or large commercial consumers to request them to curtail their energy use as well: Shelby Energy's specific industrial or large commercial consumer listing is on file in its office.

DATE OF ISSUE: January 13, 1998

EFFECTIVE DATE: February 13, 1998

ISSUED BY:

Dwight Bottom
Name of Officer

President & General Manager

Title

Shelbyville, KY 40065

Address

FOR All Territory Served
P.S.C. No. 8
Original SHEET NO. 37
CANCELLING P.S.C. NO. 7
SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

RULES AND REGULATIONS

APPENDIX "F"

MANDATORY LOAD CURTAILMENT PROCEDURE

Objective:

To reduce demand on Shelby Energy's system over the period during which an electric energy shortage is anticipated by interrupting firm consumer load in five percent (5%) blocks up to a total of twenty percent (20%) of the system load.

Criteria:

This procedure is implemented when requested by the EKPC System Operator. This procedure will only be requested after the Governor of Kentucky has issued a statewide State of Emergency Order.

Procedures:

Shelby Energy will immediately dispatch personnel to interrupt service to member consumer loads to achieve the reduction requested by EKPC. This may be achieved by interrupting services to certain nonessential loads for the entire period of the emergency or by rotating outages to various substation feeder circuits. Shelby Energy's specific plan is on file in its office.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 04 1997

PURSUANT TO 801 KAR 5011,
SECTION 9(1)

BY: Stephan Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE: June 11, 1997 EFFECTIVE DATE: June 4, 1997
ISSUED BY: Dudley Bolton, Jr. President & General Manager Shelbyville, KY 40065
Name of Officer Title Address

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. No. 5
4th Revised Sheet No. 1

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

Canceling P.S.C. No. 5
3rd Revised Sheet No. 1

CLASSIFICATION OF SERVICE	
	Rate Per Unit
Reserved for Future Use	

DATE OF ISSUE December 31, 2009

DATE EFFECTIVE; February 1, 2010

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
7th Revised Sheet No. 2

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

Canceling P.S.C. No. 5
6th Revised Sheet No. 2

CLASSIFICATION OF SERVICE	
	Rate Per Unit
Reserved for Future Use	

DATE OF ISSUE December 31, 2009

DATE EFFECTIVE; February 1, 2010

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
3rd Revised Sheet No. 3

Shelby Energy Cooperative, Inc.
Shelbyville, KY

Canceling P.S.C. No. 5
2nd Revised Sheet No. 3

Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
	Rate Per Unit
Reserved for Future Use	

DATE OF ISSUE December 31, 2009

DATE EFFECTIVE; February 1, 2010

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
1st Revised Sheet No. 4

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

Canceling P.S.C. No. 5
Original Sheet No. 4

CLASSIFICATION OF SERVICE	
	Rate Per Unit
Reserved for Future Use	

DATE OF ISSUE December 31, 2009

DATE EFFECTIVE; February 1, 2010

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
7th Revised Sheet No. 5

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

Canceling P.S.C. No. 5
6th Revised Sheet No. 5

CLASSIFICATION OF SERVICE		Rate Per Unit
LARGE POWER SERVICE - RATE 2		
<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 service under Rate 12 or Rate 11 respectively, 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 Seller's standard voltage.		
<u>MONTHLY RATE:</u>		
Consumer Charge per Month	\$ 50.15	(N)
Demand Charge per kW of billing demand	\$ 4.97	
Energy Charge per kWh for all kWh	\$ 0.06823	(N)

DATE OF ISSUE December 31, 2009

DATE EFFECTIVE; February 1, 2010

ISSUED BY _____
Name of Officer

TITLE: President & CEO

Form for filing Rate Schedules

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 6
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

 Name of Issuing Corporation

CLASSIFICATION OF SERVICE		PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE
LARGE POWER SERVICE - RATE 2	JUN 04 1997	RATE PER UNIT
<p><u>DETERMINATION OF BILLING DEMAND:</u></p> <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 below.</p> <p><u>POWER FACTOR ADJUSTMENT:</u></p> <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> <p><u>FUEL ADJUSTMENT CLAUSE:</u></p> <p>This rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.</p>		<p>PURSUANT TO 807 KAR 5:011. SECTION 9 (1) BY: <u>Stephan D Bell</u> SECRETARY OF THE COMMISSION</p>

DATE OF ISSUE: June 11, 1997 EFFECTIVE DATE: June 4, 1997
 ISSUED BY: Dudley Botton Jr President & General Manager Shelbyville, KY 40065
 Name of Officer Title Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedules

FOR All Territory Served
Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 7
 CANCELLING P.S.C. NO. _____
 _____ SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

 Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
LARGE POWER SERVICE - RATE 2	RATE PER UNIT
<p><u>MINIMUM MONTHLY CHARGE:</u></p> <p>The minimum monthly charge shall be the highest one of the following charges as determined for the consumer in question:</p> <ol style="list-style-type: none"> The minimum monthly charge specified in the contract for services. The charge of \$1.00 per KVA of installed transformer capacity. <p><u>SPECIAL PROVISIONS:</u></p> <ol style="list-style-type: none"> <u>Delivery Point</u> - If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be owned and maintained by the consumer. If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer. 	

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE
 JUN 04 1997
 PURSUANT TO 807 KAR 5:011,
 SECTION 9 (1)
 BY: Stephan O. Bees
 SECRETARY OF THE COMMISSION

DATE OF ISSUE: June 11, 1997 EFFECTIVE DATE: June 4, 1997
 ISSUED BY: Dudley Bottom, Jr. President & General Manager Shelbyville, KY 40065
 Name of Officer Title Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedules

FOR All Territory Served
Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 8
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

 Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
LARGE POWER SERVICE - RATE 2	RATE PER UNIT
<p><u>SPECIAL PROVISIONS:</u></p> <p>3. <u>Primary Service</u> - If service is furnished at primary distribution voltage, a discount of five percent (5%) shall apply to the demand and energy charges. The Seller shall have the option of metering at secondary voltage.</p> <p>4. <u>Contract</u> - An "Agreement for Purchase of Power" shall be executed by the consumer for service under this rate schedule.</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 the bill, the gross rate shall apply.</p> <p><u>SPECIAL RULES:</u></p> <p>Motors having a rated capacity in excess of ten horsepower (10 HP) must be three-phase. Motors in excess of five horsepower (5 HP) shall be provided with compensating starting equipment acceptable to the Seller.</p> <p><u>TEMPORARY SERVICE:</u></p> <p>Consumers requiring temporary service under this rate schedule may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover estimated consumption of electricity. Both fees will be paid in advance.</p>	

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE
 JUN 04 1997
 PURSUANT TO 807 KAR 5.011,
 SECTION 9 (1)
 BY: Stephan D. Bell
 SECRETARY OF THE COMMISSION

DATE OF ISSUE: June 11, 1997 EFFECTIVE DATE: June 4, 1997
 SUELED BY: Dudley Botton, Jr. President & General Manager Shelbyville, KY 40065
 Name of Officer Title Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. No. 5
8th Revised Sheet No. 9

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

Canceling P.S.C. No. 5
7th Revised Sheet No. 9

CLASSIFICATION OF SERVICE				
RESIDENTIAL SERVICE - RATE 12				Rate Per Unit
<u>AVAILABILITY:</u>				
Available to all consumers of the Cooperative, subject to the Rules and Regulation:				
<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 Fixtures			
A.	HPS (High Pressure Sodium) 100 Watt Security Light		\$ 9.31	(l)
B	HPS (High Pressure Sodium) 100 Watt Decorative Colonial Light		\$ 12.44	(l)
	HPS (High Pressure Sodium) 400 Watt Directional Flood and Security and Street Light		\$ 19.46	(l)
	HPS (High Pressure Sodium) 250 Watt Directional Flood and Security and Street Light		\$ 13.90	(l)
	HPS (High Pressure Sodium) 150 Watt Decorative Acorn Light		\$ 14.94	(l)

DATE OF ISSUE December 31, 2009

DATE EFFECTIVE; February 1, 2010

ISSUED BY _____
Name of Officer

TITLE: President & CEO

Form for filing Rate Schedules

FOR All Territory Served
Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 10
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

 Name of Issuing Corporation

CLASSIFICATION OF SERVICE		
OUTDOOR AND STREET LIGHTING SERVICE - RATE 3	RATE PER UNIT	
<p><u>CONDITIONS OF SERVICE:</u></p> <p>1. <u>Colonial Installation (Served underground)</u> For installation where 120/240 volt secondary voltage is available. The Cooperative shall furnish, install, own, and maintain standoff brackets, decorative poles and fixtures for the lamp being used. The consumer shall pay the monthly rate plus any additional charges as determined plus furnish all ditching, conduit, back filling, and repaving/seedling/sodding as necessary in accordance with the Cooperative's specifications. The consumer will install the conduit. The Cooperative will make all necessary connections. Upon termination of this service, the Cooperative shall not be required to remove underground wiring or conduit.</p> <p>2. <u>Directional, security and street lighting (Served Overhead)</u> For installation on existing wood poles where 120/240 volt secondary voltage is available. Any additional required facilities may be provided by the Cooperative at an additional charge per month to be determined by the Cooperative.</p> <p>3. The Cooperative shall maintain the lighting equipment including the lamp replacement, at no additional cost to the consumer within 72 hours after the consumer notifies the Cooperative of the need for maintenance of the lighting equipment.</p> <p>4. The lighting equipment, poles, and related facilities shall remain the property of the Cooperative. The consumer shall be responsible for fixture replacement or repairs where such replacement or repairs are caused from willful damage, vandalism, or causes other than normal burnouts.</p> <p>5. The consumer shall allow authorized representatives of the Cooperative to enter upon the consumer's premises and to trim trees and shrubs as necessary for maintenance of the lighting equipment and for removal of lighting equipment upon termination of service under this rate schedule.</p>		<p>PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE JUN 04 1997 PURSUANT TO 807 KAR 5:011, SECTION 9(1) BY: <u>Stephan O Bell</u> SECRETARY OF THE COMMISSION</p>

DATE OF ISSUE: June 11, 1997 EFFECTIVE DATE: June 4, 1997
 ISSUED BY: Dwight Bottom, Jr. President & General Manager Shelbyville, KY 40065
 Name of Officer Title Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedules

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 11
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

CLASSIFICATION OF SERVICE

OUTDOOR AND STREET LIGHTING SERVICE - RATE 3

RATE
PER UNIT

CONDITIONS OF SERVICE (continued):

6. When additional facilities are required by the consumer, the Cooperative may furnish them at an additional charge per month to be determined by the Cooperative. These additional charges are subject to change by the Cooperative upon 30 days prior written notice. All facilities furnished by the Cooperative will be standard stocked material.

7. The Cooperative and the consumer shall execute an agreement for service under this schedule for a period not less than one year. Cancellation by the consumer prior to the initial one-year term will require the consumer to pay the Cooperative its cost of installation and removal of facilities plus the salvageable material, prorated on the basis of the remaining portion of the one-year period.

TERMS OF PAYMENT:

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. No reduction will be made to the consumer's monthly charge under this schedule for service interruption time due to lamp failure or other cause beyond the control of the Cooperative.

FUEL ADJUSTMENT CLAUSE:

This rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in KAR 5::056.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUNE-04 1997

PURSUANT TO 807 KAR 5:011,
SECTION 9(1)

BY: Stephan D. Bee
SECRETARY OF THE COMMISSION

DATE OF ISSUE: June 11, 1997

EFFECTIVE DATE: June 4, 1997

SUED BY: Dwight Bottom, Jr.
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. _____ Dated _____

FOR All Territory Served
Community, Town or City

P.S.C. No. 5

3rd Revised SHEET NO. 12

CANCELLING P.S.C. NO. 5

2nd Revised SHEET NO. 12

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

CLASSIFICATION OF SERVICE

STANDBY POWER RATE - RATE 4

**RATE
PER UNIT**

AVAILABILITY:

This rate is explicitly to provide standby electrical service to the Louisville Gas & Electric power station site at Wisers Landing in Trimble County, Kentucky.

TYPE OF SERVICE:

Three-phase, 60 Hertz, 7.2/12.47 KV GRDY

RATE

Demand Charge

The identical demand billed by East Kentucky Power Cooperative from the wholesale power invoice for that particular month.

Energy Charge

First	100 kWh per KW demand	@	\$.04669	per kWh	(R)
Next	100 kWh per KW demand	@	.04079	per kWh	(R)
All Over	200 kWh per KW demand	@	.03492	per kWh	(R)

PUBLIC SERVICE COMMISSION

OF KENTUCKY
EFFECTIVE May 1, 2003

DATE OF ISSUE: May 1, 2003

EFFECTIVE DATE: May 1, 2003

ISSUED BY: *Dwight Bottom, Jr.*
Name of Officer

President & CEO
Title

Shelbyville, KY 40065
Address

MAY 01 2003

Issued by authority of an Order of the Public Service Commission of Kentucky in PURSUANT TO 807 KAR 5.011

Case No. 2002-00449

Dated April 29, 2003

BY *Charles L. Bottom*
EXECUTIVE DIRECTOR

Form for filing Rate Schedules

FOR All Territory Served
 Community, Town or City _____
 P.S.C. No. 5
Original SHEET NO. 13
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

 Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
STANDBY POWER RATE - RATE 4	RATE PER UNIT
<p><u>DETERMINATION OF BILLING DEMAND:</u></p> <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 below.</p> <p><u>POWER FACTOR ADJUSTMENT:</u></p> <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> <p><u>FUEL ADJUSTMENT CLAUSE:</u></p> <p>This rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.</p>	

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE
 JUN 04 1997
 PURSUANT TO 807 KAR 5:011,
 SECTION 9(1)
 BY: Stephan O. Bell
 SECRETARY OF THE COMMISSION

DATE OF ISSUE: June 11, 1997 EFFECTIVE DATE: June 4, 1997
 ISSUED BY: Dudley Bottom, Jr. President & General Manager Shelbyville, KY 40065
 Name of Officer Title Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedules

FOR All Territory Served
Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 14
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

 Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
	RATE PER UNIT
STANDBY POWER RATE - RATE 4	
<p><u>MINIMUM MONTHLY CHARGE:</u></p> <p>As specified in an "Agreement" for electric service dated October 4 and October 25, 1979.</p> <p><u>SPECIAL PROVISIONS:</u></p> <p>Motor loads will be added in increments that will minimize transient voltage changes for other consumers on this circuit.</p> <p><u>TERMS OF PAYMENT:</u></p> <p>As specified in an "Agreement" for electric service dated October 4 and October 25, 1979.</p> <p style="text-align: center;">THIS RATE IS SUBJECT TO ADJUSTMENT AT ANY TIME SHELBY ENERGY COOPERATIVE ADJUSTS ITS OTHER RATE SCHEDULES</p> <div style="text-align: right;"> <p>PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE JUN 04 1997 PURSUANT TO 807 KAR 5:011, SECTION 9(1) BY: <u>Stephan Bell</u> SECRETARY OF THE COMMISSION</p> </div>	

DATE OF ISSUE: June 11, 1997 EFFECTIVE DATE: June 4, 1997
 ISSUED BY: Dudley Bolton, Jr. President & General Manager Shelbyville, KY 40065
 Name of Officer Title Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
8th Revised Sheet No. 15

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

Cancelling P.S.C. NO. 5
7th Revised Sheet NO 15

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	\$0.05312 per kWh	(1)

DATE OF ISSUE July 21, 2009 DATE EFFECTIVE: August 1, 2009

ISSUED BY *Debbie Martin*
Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky

Case No. 2008-00536

TITLE President & CEO
PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
Dated 8/1/2009
July 15, 2009
PURSUANT TO 007 KAR 5-011
SECTION 9 (1)

By *J. D. Brown*
Executive Director

Form for filing Rate Schedules

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 16
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

elby Energy Cooperative, Inc.
Shelbyville, Kentucky

 Name of Issuing Corporation

CLASSIFICATION OF SERVICE

OFF-PEAK RETAIL MARKETING RATE (ETS)

**RATE
PER UNIT**

TERMS OF PAYMENT:

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.

FUEL ADJUSTMENT CHARGE:

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed ten percent (10%) and is based on a twelve (12) month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE

JUN 04 1997

PURSUANT TO 807 KAR 5:011.
 SECTION 9 (1)

BY: Stephan O. Bell
 SECRETARY OF THE COMMISSION

DATE OF ISSUE: June 11, 1997

EFFECTIVE DATE: June 4, 1997

SUED BY: Dwight Bottom Jr.
 Name of Officer

President & General Manager
 Title

Shelbyville, KY 40065
 Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
6th Revised Sheet No. 17

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

Cancelling P.S.C. NO. 5
5th 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	\$ 590.43	
Demand Charge per KW of Contract Demand	\$ 5.94	
Demand Charge per KW for Billing Demand in Excess of Contract Demand	\$ 8.63	
Energy Charge per kWh	\$ 0.06671	(1)
<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 July 21, 2009 DATE EFFECTIVE: August 1, 2009

ISSUED BY *Dennis Martin*
Name of Officer

TITLE President & CEO

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
Dated July 15, 2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By *J. D. Brown*
Executive Director

Issued by authority of an Order of the Public Service Commission of Kentucky

Case No. 2008-00536

Form for filing Rate Schedules

FOR All Territory Served
Community, Town or City
 P.S.C. No. 5
 Original SHEET NO. 18
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

CLASSIFICATION OF SERVICE		PUBLIC SERVICE COMMISSION OF KENTUCKY
LARGE INDUSTRIAL RATE SCHEDULE B1		EFFECTIVE
		RATE PER UNIT
<p><u>MINIMUM MONTHLY CHARGE:</u></p> <p>The minimum monthly charge shall not be less than the sum of (a) through (d) below</p> <p>(a) Consumer Charge.</p> <p>(b) The product of the contract demand multiplied by the contract demand charge, plus the product of the demand in excess of the contract demand multiplied by the in excess of contract demand charge.</p> <p>(c) The product of the contract demand multiplied by 400 hours and the energy charge per kWh.</p> <p>(d) Contract provisions that reflect special facilities requirements.</p> <p><u>POWER FACTOR ADJUSTMENT:</u></p> <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 billing demand is less than 0.90 (90%), the demand for the billing purposes shall be the demand as indicated or recorded, multiplied by 0.90 (90%) and divided by the power factor.</p> <p><u>FUEL ADJUSTMENT CLAUSE:</u></p> <p>This rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.</p>		<p>JUN 04 1997</p> <p>PURSUANT TO 807 KAR 5:011. SECTION 9(1)</p> <p>BY: <u>Stephan Bell</u> SECRETARY OF THE COMMISSION</p>

DATE OF ISSUE: June 11, 1997

EFFECTIVE DATE: June 4, 1997

SUED BY: Dudley Bottom, Jr.
 Name of Officer

President & General Manager
 Title

Shelbyville, KY 40065
 Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedules

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 19
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
LARGE INDUSTRIAL RATE SCHEDULE B1	RATE PER UNIT
<p><u>SPECIAL PROVISIONS:</u></p> <p>1. <u>Delivery Point</u> - If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service.</p> <p>All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be owned and maintained by the consumer.</p> <p>2. If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.</p>	
<p><u>TERMS OF PAYMENT:</u></p> <p>The above rates are net; the gross rates are 5% 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><u>TEMPORARY SERVICE:</u></p> <p>Consumers requiring temporary service under this rate schedule may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover estimated consumption of electricity. Both fees will be paid in advance.</p>	

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE
 JUN 04 1997
 PURSUANT TO 807 KAR 5:011,
 SECTION 9 (1)
 BY: Stephan O. Bell
 SECRETARY OF THE COMMISSION

DATE OF ISSUE: June 11, 1997 EFFECTIVE DATE: June 4, 1997
 ISSUED BY: Dudley B. Patton, Jr. President & General Manager Shelbyville, KY 40065
 Name of Officer Title Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
6th Revised Sheet No. 20

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

Cancelling P.S.C. No. 5
5th 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	\$ 1,179.75	
Demand Charge per KW of Contract Demand	\$ 5.94	
Demand Charge per KW for Billing Demand in Excess of Contract Demand	\$ 8.63	
Energy Charge per kWh	\$ 0.05119	(1)
<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 July 21, 2009 DATE EFFECTIVE: August 1, 2009

ISSUED BY *Dennis Martin*
Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky

Case No. 2008-00536

TITLE President & CEO
PUBLIC SERVICE COMMISSION OF KENTUCKY
 EFFECTIVE
 Dated 8/1/2009
JULY 15, 2009
 PURSUANT TO 807 KAR 5.011
 SECTION 9 (1)
 By *J. H. Brown*
 Executive Director

Form for filing Rate Schedules

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 21
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

CLASSIFICATION OF SERVICE

LARGE INDUSTRIAL RATE SCHEDULE B2

RATE
PER UNIT

MINIMUM MONTHLY CHARGE:

The minimum monthly charge shall not be less than the sum of (a) through (d) below:

- (a) Consumer Charge.
- (b) The product of the contract demand multiplied by the contract demand charge, plus the product of the demand in excess of the contract demand multiplied by the in excess of contract demand charge.
- (c) The product of the contract demand multiplied by 400 hours and the energy charge per kWh.
- (d) Contract provisions that reflect special facilities requirements.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 04 1997

POWER FACTOR ADJUSTMENT:

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 billing demand is less than 0.90 (90%), the demand for the billing purposes shall be the demand as indicated or recorded, multiplied by 0.90 (90%) and divided by the power factor.

ISSUANT TO 807 KAR 5.01
SECTION 9(1)

Stephen D. Bell
SECRETARY OF THE COMMISSION

FUEL ADJUSTMENT CLAUSE:

This rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

DATE OF ISSUE: June 11, 1997

EFFECTIVE DATE: June 4, 1997

ISSUED BY: *Dwight Bilton*
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedules

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 22
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

 Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
LARGE INDUSTRIAL RATE SCHEDULE B2	RATE PER UNIT
<p><u>SPECIAL PROVISIONS:</u></p> <p>1. <u>Delivery Point</u> - If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service.</p> <p style="padding-left: 40px;">All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be owned and maintained by the consumer.</p> <p>2. If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.</p> <p><u>TERMS OF PAYMENT:</u></p> <p>The above rates are net; the gross rates are 5% 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><u>TEMPORARY SERVICE:</u></p> <p>Consumers requiring temporary service under this rate schedule may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover estimated consumption of electricity. Both fees will be paid in advance.</p>	
<p>PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE JUN 04 1997 PURSUANT TO 807 KAR 5.011 SECTION 9(1) BY: <u>Stephen D. Bell</u> SECRETARY OF THE COMMISSION</p>	

DATE OF ISSUE: June 11, 1997 EFFECTIVE DATE: June 4, 1997
 ISSUED BY: Dudley Britton, Jr. President & General Manager Shelbyville, KY 40065
 Name of Officer Title Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
6th Revised Sheet No. 23

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

Cancelling P.S.C. No. 5
5th Revised Sheet No. 23

CLASSIFICATION OF SERVICE		Rate
LARGE INDUSTRIAL RATE - SCHEDULE B3		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	\$	3,288.73
Transformer Size of 15,000 kVa and greater	\$	5,220.04
Demand Charges per kW		
Contract Demand	\$	5.94
Billing Demand in Excess of Contract Demand	\$	8.63
Energy Charge per kWh	\$	0.05008 (1)
<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 June 21, 2009

DATE EFFECTIVE: August 1, 2009

ISSUED BY

Dennis Martin
Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky 8/1/2009
Case No. 2008-00536

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
Dated PURSUANT TO ORDER 582009-5:011
SECTION 9 (1)

By [Signature]
Executive Director

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
1st Revised Sheet No. 24

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

Canceling P.S.C. No. 5
Original Sheet No. 24

CLASSIFICATION OF SERVICE	
LARGE INDUSTRIAL RATE SCHEDULE B3	Rate Per Unit
<u>MINIMUM MONTHLY CHARGE:</u>	
The minimum monthly charge shall not be less than the sum of (a) through (d) below:	
(a) Consumer Charge	T
(b) The product of the contract demand multiplied by the contract demand charge, plus the product of the demand in excess of the contract demand multiplied by the in excess of contract demand charge.	
(c) The product of the contract demand multiplied by 400 hours and the energy charge per kWh minus the fuel base per kWh.	
(d) Contract provisions that reflect special facilities requirements	
<u>POWER FACTOR ADJUSTMENT:</u>	
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 billing demand is less than 0.90 (90%), the demand for the billing purposes shall be the demand as indicated or recorded, multiplied by 0.90 (90%) and divided by the power factor.	
<u>FUEL ADJUSTMENT CLAUSE:</u>	
This rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056	

DATE OF ISSUE July 20, 2004
ISSUED BY *Dudley Batten Jr.*
Name of Officer
Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. 2004-00195

DATE EFFECTIVE: July 9, 2004
PUBLIC SERVICE COMMISSION
TITLE President & CEO
OF KENTUCKY
EFFECTIVE
Dated 7/9/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By *[Signature]*
Executive Director

Form for filing Rate Schedules

FOR All Territory Served
 Community, Town or City _____
 P.S.C. No. 5
Original SHEET NO. 25
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

 Name of Issuing Corporation

CLASSIFICATION OF SERVICE		
LARGE INDUSTRIAL RATE SCHEDULE B3	RATE PER UNIT	
<p><u>SPECIAL PROVISIONS:</u></p> <p>1. <u>Delivery Point</u> - If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service.</p> <p>All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be owned and maintained by the consumer.</p> <p>2. If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.</p> <p><u>TERMS OF PAYMENT:</u></p> <p>The above rates are net; the gross rates are 5% 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><u>TEMPORARY SERVICE:</u></p> <p>Consumers requiring temporary service under this rate schedule may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover estimated consumption of electricity. Both fees will be paid in advance.</p>		<p>PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE</p> <p>JUN 04 1997</p> <p>PURSUANT TO 807 KAR 5:011, SECTION 9 (1)</p> <p><u>Stephan D. Bell</u> SECRETARY OF THE COMMISSION</p>

DATE OF ISSUE: June 11, 1997 EFFECTIVE DATE: June 4, 1997
 ISSUED BY: *Dudley Bottom Jr.* President & General Manager Shelbyville, KY 40065
 Name of Officer Title Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
6th Revised Sheet No. 26

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

Cancelling P.S.C. No. 5
5th 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	\$ 590.43	
Demand Charge per KW of billing demand	\$ 5.94	
Energy Charge per kWh	\$ 0.05671	(1)
<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 July 21, 2009

DATE EFFECTIVE: August 1, 2009

ISSUED BY *Dennis Martin*
Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky

Case No. 2008-00536

TITLE	President & CEO
PUBLIC SERVICE COMMISSION OF KENTUCKY	
DATE EFFECTIVE	8/1/2009
Dated PURSUANT TO	<u>July 15, 2009</u> 5:011
SECTION 9 (1)	
By	<u><i>J. D. Brown</i></u> Executive Director

FOR All Territory Served

Community, Town or City

P.S.C. No. 5

Original SHEET NO. 27

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

CANCELLING P.S.C. NO. _____

SHEET NO. _____

Name of Issuing Corporation

CLASSIFICATION OF SERVICE

LARGE INDUSTRIAL RATE SCHEDULE C1

RATE
PER UNIT

MINIMUM MONTHLY CHARGE:

The minimum monthly charge shall not be less than the sum of (a) and (b) below:

- (a) The product of the billing demand multiplied by the demand charge, plus
- (b) The product of the billing demand multiplied by 400 hours and the energy charge per kWh.

POWER FACTOR ADJUSTMENT:

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, multiplied by 0.90 (90%) and divided by the power factor.

FUEL ADJUSTMENT CLAUSE:

This rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesaler power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

SPECIAL PROVISIONS:

- 1. Delivery Point - If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 04 1997

PURSUANT TO 807 KAR 5:011

SECTION 9(1)
June 4, 1997

DATE OF ISSUE: June 11, 1997

EFFECTIVE DATE: _____

ISSUED BY: Dudley Patton, Jr.
Name of Officer

President & General Manager
Title

BY: Shawn Boy
SECRETARY OF THE COMMISSION
Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedules

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 28
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

 Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
LARGE INDUSTRIAL RATE - SCHEDULE C1	RATE PER UNIT
<p><u>SPECIAL PROVISIONS (continued):</u></p> <p>All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be owned and maintained by the consumer.</p> <p>2. If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.</p> <p><u>TERMS OF PAYMENT:</u></p> <p>The above rates are net; the gross rates are 5% 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><u>TEMPORARY SERVICE:</u></p> <p>Consumers requiring temporary service under this rate schedule may be required to pay all costs of connecting and disconnecting incidental to the supplying and service. In addition to this, a deposit will be required to cover estimated consumption of electricity. Both fees will be paid in advance.</p>	
<p>PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE JUN 04 1997 PURSUANT TO 807 KAR 5:011, SECTION 8(1) BY: <u>Stephan Bui</u> SECRETARY OF THE COMMISSION</p>	

DATE OF ISSUE: June 11, 1997 EFFECTIVE DATE: June 4, 1997
 ISSUED BY: Dudley Bottom Jr. President & General Manager Shelbyville, KY 40065
 Name of Officer Title Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
6th Revised Sheet No. 29

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

Cancelling P.S.C. No. 5
5th Revised Sheet No. 29

CLASSIFICATION OF SERVICE		Rate
LARGE INDUSTRIAL RATE - SCHEDULE C2		Per Unit
<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 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	\$	1,179.75
Demand Charge per KW of Billing Demand	\$	5.94
Energy Charge per kWh	\$	0.05119 (1)
<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 July 21, 2009

DATE EFFECTIVE: August 1, 2009

ISSUED BY *Debbie Martin*
Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky 7/1/2009

Case No. 2008-00536

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

PURSUANT TO 807 KAR 5:011

Dated July 15, 2009

By *J. D. Green*
Executive Director

Form for filing Rate Schedules

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
 Original SHEET NO. 30
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

 Name of Issuing Corporation

CLASSIFICATION OF SERVICE	PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE
LARGE INDUSTRIAL RATE SCHEDULE C2	RATE PER UNIT
<p><u>MINIMUM MONTHLY CHARGE:</u></p> <p>The minimum monthly charge shall not be less than the sum of (a) and (b) below:</p> <p>(a) The product of the billing demand multiplied by the demand charge, plus (b) The product of the billing demand multiplied by 400 hours and the energy charge per kWh.</p> <p><u>POWER FACTOR ADJUSTMENT:</u></p> <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, multiplied by 0.90 (90%) and divided by the power factor.</p> <p><u>FUEL ADJUSTMENT CLAUSE:</u></p> <p>This rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesaler power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.</p> <p><u>SPECIAL PROVISIONS:</u></p> <p>1. <u>Delivery Point</u> - If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service.</p>	<p>JUN 04 1997</p> <p>PURSUANT TO 807 KAR 5:011, SECTION 9 (1)</p> <p>BY: <u>Stephan D Bell</u> SECRETARY OF THE COMMISSION</p>

DATE OF ISSUE: June 11, 1997 EFFECTIVE DATE: June 4, 1997

ISSUED BY: Dudley Bottom Jr. President & General Manager Shelbyville, KY 40065
 Name of Officer Title Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedules

FOR All Territory Served
Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 31
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

 Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
LARGE INDUSTRIAL RATE - SCHEDULE C2	RATE PER UNIT
<p><u>SPECIAL PROVISIONS (continued):</u></p> <p>All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be owned and maintained by the consumer.</p> <p>2. If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.</p>	
<p><u>TERMS OF PAYMENT:</u></p> <p>The above rates are net; the gross rates are 5% 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><u>TEMPORARY SERVICE:</u></p> <p>Consumers requiring temporary service under this rate schedule may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover estimated consumption of electricity. Both fees will be paid in advance.</p>	

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE
 JUN 04 1997
 PURSUANT TO 807 KAR 5:011
 SECTION 9 (1)
 BY: Stephan O Bell
 SECRETARY OF THE COMMISSION

DATE OF ISSUE: June 11, 1997 EFFECTIVE DATE: June 4, 1997
 ISSUED BY: *Dudley Bottom, Jr.* President & General Manager Shelbyville, KY 40065
 Name of Officer Title Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
6th Revised Sheet No. 32

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

Cancelling P.S.C. No. 5
5th 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	\$	3,288.73	
Transformer Size of 15,000 kVa and greater	\$	5,220.04	
Demand Charge per kW	\$	5.94	
Energy Charge per kWh	\$	0.05008	(1)

BILLING DEMAND:

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

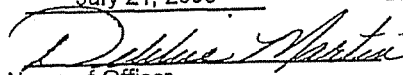
- (a) The contract demand
- (b) The consumer's peak demand during the current month or preceding eleven months. The peak demand shall be the highest average rate at which energy is used any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

<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.

DATE OF ISSUE July 21, 2009

DATE EFFECTIVE: August 1, 2009

ISSUED BY


Name of Officer

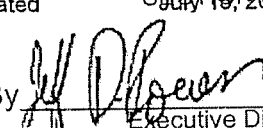
Issued by authority of an Order of the Public Service Commission of Kentucky in

Case No. 2008-00536

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

8/1/2009
PURSUANT TO 807 KAR 5:011

Dated July 16, 2009

By 
Executive Director

Form for filing Rate Schedule _____

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
3rd Revised Sheet No. 33

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

Canceling P.S.C. No. 5
2nd Revised Sheet No. 33

CLASSIFICATION OF SERVICE	
LARGE INDUSTRIAL RATE SCHEDULE C3	Rate Per Unit
<u>MINIMUM MONTHLY CHARGE:</u>	
The minimum monthly charge shall not be less than the sum of (a) through (d) below:	T
(a) Consumer Charge	T
(b) The product of the contract demand multiplied by the contract demand charge.	T
(c) The product of the contract demand multiplied by 400 hours and the energy charge per kWh minus the fuel base per kWh.	T
(d) Contract provisions that reflect special facilities requirements	T
<u>POWER FACTOR ADJUSTMENT:</u>	
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 this billing demand is less than 0.90 (90%), the demand for the billing purposes shall be the demand as indicated or recorded, multiplied by 0.90 (90%) and divided by the power factor.	
<u>FUEL ADJUSTMENT CLAUSE:</u>	
This rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056	

DATE OF ISSUE July 20, 2004
ISSUED BY *Dudley B. Bittner, Jr.*
Name of Officer
Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. 2004-00195

DATE EFFECTIVE July 9, 2004
PUBLIC SERVICE COMMISSION
OF KENTUCKY
TITLE President & CEO
EFFECTIVE
7/9/2004
Dated 9 Jul 04
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By *[Signature]*
Executive Director

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

FOR All Territory Served
Community, Town or City
P.S.C. No. 5
Original SHEET NO. 34
CANCELLING P.S.C. NO. _____
SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

JUN 04 1997

Name of Issuing Corporation

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Stephan Bell
CLASSIFICATION OF SERVICE

LARGE INDUSTRIAL RATE - SCHEDULE C3	RATE PER UNIT
<p>SPECIAL PROVISIONS (continued):</p> <p>All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be owned and maintained by the consumer.</p> <p>2. If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.</p> <p><u>TERMS OF PAYMENT:</u></p> <p>The above rates are net; the gross rates are 5% 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><u>TEMPORARY SERVICE:</u></p> <p>Consumers requiring temporary service under this rate schedule may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover estimated consumption of electricity. Both fees will be paid in advance.</p>	

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 04 1997

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Stephan Bell
SECRETARY OF THE COMMISSION
June 4, 1997

DATE OF ISSUE: June 11, 1997

EFFECTIVE DATE: June 4, 1997

SUED BY:

Dudley Bottom Jr.
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. _____ Dated _____

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				Rate Per Unit																				
INTERRUPTIBLE SERVICE																								
<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 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></th> <th colspan="3">ANNUAL HOURS OF INTERRUPTION</th> <th></th> </tr> <tr> <th>NOTICE MINUTES</th> <th>200</th> <th>300</th> <th>400</th> <th></th> </tr> </thead> <tbody> <tr> <td>10</td> <td>\$4.20</td> <td>\$4.90</td> <td>\$5.60</td> <td>(1)</td> </tr> <tr> <td>60</td> <td>\$3.50</td> <td>\$4.20</td> <td>\$4.90</td> <td>(1)</td> </tr> </tbody> </table>					ANNUAL HOURS OF INTERRUPTION				NOTICE MINUTES	200	300	400		10	\$4.20	\$4.90	\$5.60	(1)	60	\$3.50	\$4.20	\$4.90	(1)	
	ANNUAL HOURS OF INTERRUPTION																							
NOTICE MINUTES	200	300	400																					
10	\$4.20	\$4.90	\$5.60	(1)																				
60	\$3.50	\$4.20	\$4.90	(1)																				

DATE OF ISSUE March 26, 2009

DATE EFFECTIVE 4/1/2009

ISSUED BY [Signature]
Name of Officer

TITLE President & CEO

Issued by authority of an Order of the Public Service Commission of Kentucky
Case No. 2008-00423

PURSUANT TO 807 KAR 5:011
Dated March 31, 2009
SECTION 9 (1)

By [Signature]
Executive Director

Form for filing Rate Schedules

FOR All Territory Served
Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 36
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

 Name of Issuing Corporation

CLASSIFICATION OF SERVICE

INTERRUPTIBLE SERVICE	RATE PER UNIT						
<p><u>Determination of Measured Load - Billing Demand</u></p> <p>The monthly billing demand shall be the highest average rate at which energy is used during any fifteen consecutive minute period during the below listed hours:</p> <table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;"><u>MONTHS</u></th> <th style="text-align: center;"><u>HOURS APPLICABLE FOR DEMAND</u> <u>BILLING - E. S. T.</u></th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">October through April</td> <td style="vertical-align: top;">7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.</td> </tr> <tr> <td style="vertical-align: top;">May through September</td> <td style="vertical-align: top;">10:00 a.m. to 10:00 p.m.</td> </tr> </tbody> </table> <p>The interruptible billing demand shall be equal to the amount by which the monthly billing demand exceeds the minimum billing demand as specified in the contract.</p> <p><u>Conditions of Service for Member Contract</u></p> <ol style="list-style-type: none"> 1. The member will, upon notification by the Cooperative, reduce his/her load being supplied by the Cooperative to the minimum billing demand specified by the contract. 2. The Cooperative will endeavor to provide the member with as much advance notice as possible of the interruption of service. However, the member shall interrupt service within the notice period as contracted. 3. Service will be furnished under the Cooperative's "Rules and Regulations" except as set out herein and/or provisions agreed to by written contract. 		<u>MONTHS</u>	<u>HOURS APPLICABLE FOR DEMAND</u> <u>BILLING - E. S. T.</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.
<u>MONTHS</u>	<u>HOURS APPLICABLE FOR DEMAND</u> <u>BILLING - E. S. T.</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.						

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE
JUN 04 1997
 PURSUANT TO 807 KAR 5.011,
 SECTION 9(1)
 BY: Stephan B. Bell
 SECRETARY OF THE COMMISSION

DATE OF ISSUE: June 11, 1997 EFFECTIVE DATE: June 4, 1997
 ISSUED BY: Dudley Patton, Jr. President & General Manager Shelbyville, KY 40065
 Name of Officer Title Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

FOR All Territory Served
Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 37
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

 Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
INTERRUPTIBLE SERVICE	RATE PER UNIT
<p><u>Conditions of Service for Member Contract (cont)</u></p> <p>4. No responsibility of any kind shall attach the Cooperative for, or on account of, any loss or damage caused by, or resulting from, any interruption or curtailment of this service.</p> <p>5. The Member shall own, operate, and maintain all necessary equipment for receiving electric energy and all telemetering and communications equipment, within the Member's premises, required for interruptible service.</p> <p>6. The minimum original contract period shall be <u>one year</u> and thereafter until terminated by giving at least six months previous written notice. The Cooperative may require a contract be executed for a longer initial term when deemed necessary by the size of the load and other conditions.</p> <p>7. The Fuel Adjustment Clause, as specified in the prevailing rate schedule is applicable.</p> <p>8. Any transformers required in excess of those used for regular firm power shall be owned and maintained by the member.</p> <p><u>Calculation of Monthly Bill</u></p> <p>The monthly bill is calculated on the following basis:</p> <p>A. Sum of customer charge, plus</p> <p>B. Minimum billing demand in kW multiplied by the firm capacity rate, plus</p> <p>C. Interruptible billing demand in kW multiplied by interruptible rate, plus</p>	

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE
 JUN 04 1997
 PURSUANT TO 807 KAR 5.011,
 SECTION 8 (1)
 BY: Stephan Bull
 SECRETARY OF THE COMMISSION

DATE OF ISSUE: June 11, 1997 EFFECTIVE DATE: June 4, 1997
 SUEB BY: Dudley Patton Jr. President & General Manager Shelbyville, KY 40065
 Name of Officer Title Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedules

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
 1st Revised SHEET NO. 38
 CANCELLING P.S.C. NO. 5
 Original SHEET NO. 38

Shelby Energy Cooperative, Inc.
 Shelbyville, Kentucky

Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
INTERRUPTIBLE SERVICE	RATE PER UNIT
<p><u>Calculation of Monthly Bill (con't)</u></p> <p>D. Energy in kWh multiplied by the energy rate.</p> <p><u>Number and Duration of Interruptions</u></p> <p>A. Winter Season: There shall be no more than two (2) interruptions during any 24 hour calendar day. No interruption shall last more than six hours. (T)</p> <p>B. Summer Season: There shall be no more than one (1) interruption during any 24 hour calendar day. No interruption shall last more than twelve hours. (T)</p> <p>C. The maximum number of annual hours of interruption shall be in accordance with the member contracted level of interruptible service.</p> <p><u>Charge for Failure to Interrupt</u></p> <p>If Member fails to interrupt load as requested by the Cooperative, the Cooperative shall bill the uninterrupted load at a rate equal to five (5) times the applicable firm power demand charge for that billing month. Uninterrupted load is equal to actual load during requested interruption minus minimum billing demand.</p> <p style="text-align: right;">PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE NOV 13 2000 PURSUANT TO 807 KAR 5.011, 8-10-00</p>	

DATE OF ISSUE: October 13, 2000 EFFECTIVE DATE: November 13, 2000
 ISSUED BY: Dwight Bottom J. President & CEO Shelbyville, KY 40065
 Name of Officer Title Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
9th Revised Sheet No. 39

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

Cancelling P.S.C. NO. 5
8th Revised Sheet No. 39

CLASSIFICATION OF SERVICE		Rate Per Unit
OPTIONAL T-O-D DEMAND - RATE 22		
<u>AVAILABILITY:</u>		
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.		
<u>TYPES OF SERVICE:</u>		
Three -phase, 60 Hertz, available at Sellers's standard voltage		
<u>RATE:</u>		
<u>Consumer Charge</u>		
\$44.14		
<u>Demand Charge</u>		
\$4.97 per month per KW of billing demand		
<u>Energy Charge</u>		
First	100 kWh per KW demand	\$ 0.07676 per kWh (1)
Next	100 kWh per KW demand	\$ 0.07061 per kWh (1)
All Over	200 kWh per KW demand	\$ 0.06448 per kWh (1)

DATE OF ISSUE July 21, 2009 DATE EFFECTIVE: August 1, 2009

ISSUED BY *Dennis Martin*
Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky

Case No. 2008-00536

TITLE President & CEO
PUBLIC SERVICE COMMISSION OF KENTUCKY
 EFFECTIVE
 Dated 8/1/2009
July 15, 2009
 PURSUANT TO 807 KAR 5:011
 SECTION 9 (1)
 By *J. D. Brown*
 Executive Director

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 40
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

CLASSIFICATION OF SERVICE

OPTIONAL T-O-D DEMAND - RATE 22

RATE
PER UNIT

DETERMINATION OF BILLING DEMAND:

The billing demand shall be the maximum kilowatt demand established by the consumer during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

Months	Hours Applicable for Demand Billing - EST
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.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 04 1997

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY: Stephan O. Bell
SECRETARY OF THE COMMISSION

POWER FACTOR ADJUSTMENT:

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 maximum billing 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.

FUEL ADJUSTMENT CLAUSE:

This rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

DATE OF ISSUE: June 11, 1997

EFFECTIVE DATE: June 4, 1997

SUED BY: Dudley Burton, Jr.
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedules

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
 Original SHEET NO. 41
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

 Name of Issuing Corporation

CLASSIFICATION OF SERVICE

OPTIONAL T-O-D DEMAND - RATE 22

RATE
PER UNIT

MINIMUM MONTHLY CHARGE:

The minimum monthly charge shall be the highest one of the following charges as determined for the consumer in question:

1. The minimum monthly charge specified in the contract for services.
2. The charge of \$1.00 per KVA of installed transformer capacity.

SPECIAL PROVISIONS:

1. Delivery Point - If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service.

All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be owned and maintained by the consumer.
2. If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment (excepting metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.
3. Primary Service - If service is furnished at primary distribution voltage, a discount of five percent (5%) shall apply to the demand and energy charges. The Seller shall have the option of metering at secondary voltage.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 04 1997

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

BY: Stephan Bee
SECRETARY OF THE COMMISSION

DATE OF ISSUE: June 11, 1997

EFFECTIVE DATE: June 4, 1997

SUED BY: *Dudley Bottom Jr.*
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 42
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

 Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
OPTIONAL T-O-D DEMAND - RATE 22	RATE PER UNIT
<p>SPECIAL PROVISIONS:</p> <p>4. <u>Contract</u> - An "Agreement for Purchase of Power" shall be executed by the consumer for service under this rate schedule.</p> <p>TERMS OF PAYMENT:</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>SPECIAL RULES:</p> <p>Motors having a rated capacity in excess of ten horsepower (10 HP) must be three-phase. Motors in excess of five horsepower (5 HP) shall be provided with compensating starting equipment acceptable to the Seller.</p> <p>TEMPORARY SERVICE:</p> <p>Consumers requiring temporary service under this rate schedule may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover estimated consumption of electricity. Both fees will be paid in advance.</p>	
PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE JUN 04 1997 PURSUANT TO 807 KAR 5:011, SECTION 9 (1) BY: <u>Stephan D. Bell</u> SECRETARY OF THE COMMISSION	

DATE OF ISSUE: June 11, 1997 EFFECTIVE DATE: June 4, 1997
 SIGNED BY: *Dwight Bolton Jr.* President & General Manager Shelbyville, KY 40065
 Name of Officer Title Address

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. No. 5

7th Revised Sheet No. 43

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

Canceling P.S.C. No. 5

6th Revised Sheet No. 43

CLASSIFICATION OF SERVICE	
	Rate Per Unit
Reserved for Future Use	

DATE OF ISSUE December 31, 2009

DATE EFFECTIVE; February 1, 2010

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
1st Revised Sheet No. 44

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

Canceling P.S.C. No. 5
Original Sheet No. 44

CLASSIFICATION OF SERVICE	
	Rate Per Unit
Reserved for Future Use	

DATE OF ISSUE December 31, 2009

DATE EFFECTIVE; February 1, 2010

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
1st Revised Sheet No. 45

Shelby Energy Cooperative, Inc.
Shelbyville, KY

Name of Issuing Corporation

Canceling P.S.C. No. 5
Original Sheet No. 45


CLASSIFICATION OF SERVICE	
	Rate Per Unit
Reserved for Future Use	

DATE OF ISSUE December 31, 2009 DATE EFFECTIVE; February 1, 2010

ISSUED BY _____ TITLE: President & CEO
Name of Officer



Shelby Energy Cooperative, Inc.

Your Touchstone Energy® Partner 

August 12, 2008

Average Underground Cost Differential

(Filed in compliance with 807 KAR 5:041 Section 21 (5))

Average cost differential – individual single phase underground primary:

Average cost, individual single phase underground primary = \$24.03 per foot

Average cost, individual single phase overhead primary = \$ 9.96 per foot

Average cost differential = \$ 14.07 per foot*

Customer to trench, furnish and install all conduit and fittings and back-fill trench per Cooperative's specifications. Cooperative will in turn, complete the installation and credit the Customer \$6.98 per foot against the Cooperative's differential cost for the Customer's contribution in kind: \$14.07 - \$6.98 = \$7.09 per foot*.

Average cost differential—individual single phase underground service:

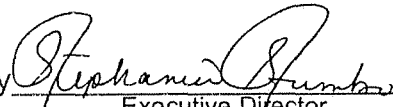
Average cost, individual single phase underground service = \$17.25 per foot

Average cost, individual single phase overhead service = \$13.11 per foot

Average cost differential = \$ 4.14 per foot*

Customer to trench, furnish and install all conduit and fittings and back-fill trench per the Cooperative's specifications. The Cooperative in consideration of the Customer's contribution in-kind will complete the underground service installation at: **No Charge***. If the Customer desires underground residential service and is unable to perform the aforementioned, the Cooperative will contract to do this work for the Customer on an individual basis and will charge accordingly.

***Note:** The above underground construction costs do not include rock excavation and removal or other procedures which may be taken to assure proper burial depth of underground duct and cable systems. If rock is encountered or other procedures are deemed necessary to ensure proper burial depth and/or compliance with applicable codes, the actual additional cost shall apply.

PUBLIC SERVICE COMMISSION
COMMONWEALTH OF KENTUCKY
EFFECTIVE
9/12/2008
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
By 
Executive Director

www.shelbyenergy.com

620 Old Finchville Road • Shelbyville, Kentucky 40065-1114


Shelby Co. (502) 633-4420 • Trimble Co. (502) 255-3260 • Henry Co. (502) 845-2845

Shelby Energy Cooperative, Inc. 2007 Single Phase Underground Construction Costs Analysis

August 12, 2008

	Unit Cost	Ftg. or No.	Ext. Cost
Single Phase Underground Primary (from Work Orders)		16,863	\$248,419.02
Conduit (Material)	1.77	16,863	29,847.51
Conduit (Labor)	1.13	16,863	19,055.19
Trenching/Back-fill	3.86	16,863	65,091.18
Ells, fittings, misc material	38.00	168	6,384.00
Average Xfmr differential	552.50	66	36,465.00
Totals		16,863	\$405,261.90
Total Average Cost per Foot, Single Phase Underground Primary			\$24.03
Less Average Cost per Foot, Overhead Single Phase Primary			9.96
Average Single Phase Underground Primary Differential Cost per Foot			\$14.07
Single Phase Underground Residential Service (from Work Orders)		24,737	289,615.26
Conduit (Material)	0.87	24,737	21,521.19
Conduit (Labor)	0.87	24,737	21,521.19
Trenching/Back-fill	3.50	24,737	86,579.50
Ells, fittings, misc. material	30.00	250	7,500.00
Totals		24,737	426,737.14
Total Average Cost per Foot, Underground Residential Service			\$17.25
Less Average Cost per Foot, Overhead Residential Service			13.11
Average Residential Underground Service Differential Cost per Foot			\$4.14

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE
 9/12/2008
 PURSUANT TO 807 KAR 5:011
 SECTION 9 (1)

By 
 Executive Director

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. No. 5
1st Revised Sheet No. 46

Shelby Energy Cooperative, Inc.
Shelbyville, KY

Name of Issuing Corporation

Canceling P.S.C. No. 5
Original Sheet No. 46

CLASSIFICATION OF SERVICE	
CABLE TELEVISION ATTACHMENT - RATE 5	Rate Per Unit
<u>APPLICABILITY:</u>	
In all territory served by the company on poles owned and used by the company for	
<u>AVAILABILITY:</u>	
To all qualified CATV operators having the right to receive service.	
<u>RENTAL CHARGE:</u>	
The yearly rental charges shall be as follows:	
Two-party pole attachment	\$ 5.42 (I)
Three-party pole attachment	\$ 4.63 (I)
Two-party anchor attachment	\$ 7.02 (I)
Three-party anchor attachment	\$ 4.63 (I)
Two-party grounding attachment	\$ 0.24 ®
Three-party grounding attachment	\$ 0.15 ®
Pedestal attachment + Same as respective pole charges.	

DATE OF ISSUE December 31, 2009

DATE EFFECTIVE; February 1, 2010

ISSUED BY _____
Name of Officer

TITLE: President & CEO

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

FOR All Territory Served
Community, Town or City
P.S.C. No. 5
Original SHEET NO. 47
CANCELLING P.S.C. NO. 5
SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

JUN 04 1997

Name of Issuing Corporation

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

BY: Stephan O. Bell
SECRETARY OF THE COMMISSION

CLASSIFICATION OF SERVICE

CABLE TELEVISION ATTACHMENT - RATE 5	RATE PER UNIT
<p>BILLING:</p> <p>Rental charges shall be billed yearly based on the number of pole attachments. The rental charges are net, the gross being ten percent (10%) higher. In the event the current bill is not paid within ten (10) days from the date of the bill, the gross shall apply.</p> <p>NOTE: Discount or penalty must apply to all electric customers, but shall apply to advance billing only if given at least thirty (30) days before the late penalty takes effect.</p> <p>SPECIFICATIONS:</p> <p>A. The attachment to poles covered by this tariff shall at all times conform to the requirements of the National Electrical Safety Code, 1981 Edition, and subsequent revisions thereof, except where the lawful requirements of public authorities may be more stringent, in which case the latter will govern.</p> <p>B. The strength of poles covered by this agreement shall be sufficient to withstand the transverse and vertical load imposed upon them under the storm loading of the National Electrical Safety Code assumed for the area in which they are located.</p> <p>ESTABLISHING POLE USE:</p> <p>A. Before the CATV operator shall make use of any of the poles of the Cooperative under this tariff, they shall notify the Cooperative of their intent in writing and shall comply with the procedures established by the Cooperative. The CATV operator shall furnish the Cooperative detailed construction plans and drawings for each pole line, together with necessary maps, indicating specifically the poles of the Cooperative, the number and character of the attachments to be placed on such poles, and rearrangements of the Cooperative's fixtures and equipment necessary for the attachment, any relocation or replacements of existing poles, and any additional poles that CATV intends to install.</p>	

DATE OF ISSUE: September 19, 1997

EFFECTIVE DATE: June 4, 1997

SUED BY: Dudley Bottom Jr.
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. _____ Dated _____

Form for filing Rate Schedules

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

FOR All Territory Served
Community, Town or City
P.S.C. No. 5
Original SHEET NO. 48
CANCELLING P.S.C. NO. 5
SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

JUN 04 1997

Name of Issuing Corporation PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Stephan D. Burt
Secretary of the Commission

CLASSIFICATION OF SERVICE

CABLE TELEVISION ATTACHMENT - RATE 5

RATE
PER UNIT

ESTABLISHING POLE USE: (continued)

The Cooperative shall, on the basis of such detailed construction plans and drawings, submit to the CATV operator a cost estimate (including overhead and less salvage value of materials) of all changes that may be required in each such pole line. Upon written notice by CATV operator to the Cooperative that the cost estimate is approved, the Cooperative shall proceed with the necessary changes in pole lines covered by cost estimate. Upon completion of all changes, the CATV operator shall have the right hereunder to make attachments in accordance with the terms of the application of this tariff. The CATV operator shall, at his own expense, make attachments in such manner as not to interfere with the service of the Cooperative.

B. Upon completion of all changes, the CATV operator shall pay to the Cooperative the actual cost (including overhead and less salvage value of materials) of making such changes. The obligation of the CATV operator hereunder shall not be limited to amounts shown on estimates made by the Cooperative hereunder. An itemized statement of the actual cost of all such changes shall be submitted by the Cooperative to the CATV operator in a form mutually agreed upon.

C. Any reclearing of existing rights-of-way and any tree trimming necessary for the establishment of pole line attachments hereunder shall be performed by the CATV operator.

D. All poles to which attachments have been made under this tariff shall remain the property of the Cooperative, and any payments made by the CATV operator for changes in pole line under this tariff shall not entitle the CATV operator to the ownership of any of said poles.

DATE OF ISSUE: September 19, 1997

EFFECTIVE DATE: June 4, 1997

ISSUED BY: Dwight Burt, Jr.
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. _____ Dated _____

Form for filing Rate Schedules

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
 Original SHEET NO. 49
 CANCELLING P.S.C. NO. 5
 SHEET NO. _____

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE

JUN 04 1997

Shelby Energy Cooperative, Inc.
 Shelbyville, Kentucky

Name of Issuing Corporation

PURSUANT TO 807 KAR 5:011,
 SECTION 9 (1)

~~CLASSIFICATION OF SERVICE~~
 BY Sharon O. Bull
 SECRETARY OF THE COMMISSION

CABLE TELEVISION ATTACHMENT - RATE 5	RATE PER UNIT
<p><u>ESTABLISHING POLE USE:</u> (continued)</p> <p>E. Any charges necessary for correction of substandard installation made by the the CATV operator, where notice of intent had not been requested, shall be billed at rate equal to twice the charges that would have been imposed if the attachment had been properly authorized.</p> <p><u>EASEMENTS AND RIGHTS-OF-WAY:</u></p> <p>A. The Cooperative does not warrant nor assure to the CATV operator any rights-of-way privileges or easements, and if the CATV operator shall at any time be prevented from placing or maintaining its attachments on the Cooperative's poles, no liability on account thereof shall attach to the Cooperative. Each party shall be responsible for obtaining its own easements and rights-of-way.</p> <p><u>MAINTENANCE OF POLES, ATTACHMENTS AND OPERATION:</u></p> <p>A. Whenever right-of-way considerations or public regulations make relocation of a pole, or poles necessary, such relocation shall be made by the Cooperative at its own expense, except that each party shall bear the cost of transferring its own attachments.</p> <p>B. Whenever it is necessary to replace or relocate an attachment, the Cooperative shall, before making such replacement or relocation, give forty-eight (48) hours notice (except in cases of emergency) to the CATV operator, specifying in said notice the time of such proposed replacement or relocation, and the CATV operator shall, at the time so specified, transfer its attachments to the new or relocated pole. Should the CATV operator fail to transfer its attachments to the new or relocated pole at the time specified for such transfer of attachments, the Cooperative may elect to do such work and the CATV operator shall pay the Cooperative the cost thereof.</p>	

DATE OF ISSUE: September 19, 1997

EFFECTIVE DATE: June 4, 1997

SUED BY: Dwight Burton Jr.
 Name of Officer

President & General Manager
 Title

Shelbyville, KY 40065
 Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

FOR All Territory Served
Community, Town or City
P.S.C. No. 5
Original SHEET NO. 50
CANCELLING P.S.C. NO. 5
SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

JUN 04 1997

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

Name of Issuing Corporation

BY: Stephan D. Bell

SECRETARY OF THE COMMISSION

CLASSIFICATION OF SERVICE

CABLE TELEVISION ATTACHMENT - RATE 5	RATE PER UNIT
<p><u>MAINTENANCE OF POLES, ATTACHMENTS AND OPERATION:</u> (continued)</p> <p>C. Any existing attachment of CATV which does not conform to the specifications as set out in this tariff hereof shall be brought into conformity therewith as soon as practical. The Cooperative, because of the importance of its service, reserves the right to inspect each new installation of the CATV operator on its poles and in the vicinity of its lines or appurtenances. Such inspection, made or not, shall not operate to relieve the CATV operator of any responsibility, obligation of liability assumed under the tariff.</p> <p>D. The Cooperative reserves to itself, its successor and assigns, the right to maintain its poles and to operate its facilities thereon in such manner as will, in its own judgment, best enable it to fulfill its own service requirements. The Cooperative shall not be liable to the CATV operator for any interruption of service of CATV operator or for interference with the operation of the cables, wires and appliances of the CATV operator arising in any manner out of the use of the Cooperative's poles hereunder.</p> <p>The Cooperative shall exercise reasonable care to avoid damaging the facilities of the CATV operator, make an immediate report to the CATV operator of the occurrence of any such damage caused by its employees, agents or contractors, and, except for removal for non-payment or for failure to post or maintain the required "Performance Bond", agrees to reimburse the CATV operator for all reasonable cost incurred by the CATV operator for the physical repair of facilities damaged by the negligence of the Cooperative.</p> <p><u>INSPECTIONS:</u></p> <p>A. <u>Periodic Inspections:</u> Any unauthorized or unreported attachment by CATV operator will be billed at a rate of two times the amount equal to the rate that would have been due, had the installation been made the day after the last previously required inspection.</p>	

DATE OF ISSUE: September 19, 1997

EFFECTIVE DATE: June 4, 1997

SUED BY: *Stephan D. Bell*
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. _____ Dated _____

FOR All Territory Served
Community, Town or City
P.S.C. No. 5
Original SHEET NO. 51
CANCELLING P.S.C. NO. 5
SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

JUN 04 1997

Name of Issuing Corporation

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

CLASSIFICATION OF SERVICE

CABLE TELEVISION ATTACHMENT - RATE 5	RATE PER UNIT
<p><u>INSPECTIONS:</u> (continued)</p> <p>B. <u>Make-Ready Inspection:</u> Any "make-ready" inspection or "walk-through" inspection required of the Cooperative will be paid for by the CATV operator at a rate equal to the Cooperative's actual expenses, plus appropriate overhead charges.</p> <p><u>INSURANCE OR BOND:</u></p> <p>A. The CATV operator agrees to defend, indemnify and save harmless the Cooperative from any and all damage, loss, claim, demand, suit, liability, penalty or forfeiture of every kind and nature, including, but not limited to, costs and expenses of defending against the same and payment of any settlement or judgment therefor, by reason of (a) injuries or deaths to persons, (b) damages to or destruction of properties, (c) pollutions, contaminations of or other adverse effects on the environment or (d) violations of governmental laws, regulations or orders whether suffered directly by the Cooperative itself, or indirectly by reason of claims, demands or suits against it by third parties, resulting or alleged to have resulted from acts or omissions of the CATV operator, its employees, agents, or other representatives or from their presence on the premises of the Cooperative, either solely or in concurrence with any alleged joint negligence of the Cooperative. The Cooperative shall be liable for sole active negligence.</p> <p>B. The CATV operator will provide coverage from a company authorized to do business in the Commonwealth of Kentucky:</p> <ol style="list-style-type: none"> 1. Protection for its employees to the extent required by Workmen's Compensation Law of Kentucky. 2. Public liability coverage with separate coverage for each town or city in which the CATV operator operates under this contract to a minimum 	

DATE OF ISSUE: September 19, 1997

EFFECTIVE DATE: June 4, 1997

SUED BY: Dudley Bottom J.
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. _____ Dated _____

FOR All Territory Served
Community, Town or City
P.S.C. No. 5
Original SHEET NO. 52
CANCELLING P.S.C. NO. 5
SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

JUN 04 1997

PURSUANT TO 807 KAR 5011,
SECTION 9(1)

Name of Issuing Corporation

BY: Stephan Bue

SECRETARY OF THE COMMISSION

CLASSIFICATION OF SERVICE

CABLE TELEVISION ATTACHMENT - RATE 5	RATE PER UNIT
<p><u>INSURANCE OR BOND:</u> (continued)</p> <p>amount of \$100,000.00 for each person and \$300,000.00 for each accident or personal injury or death, and \$25,000.00 as to the property of any one person, and \$100,000.00 as to any one accident of property damage.</p> <p>Before beginning operations under this tariff, the CATV operator shall cause to be furnished to the Cooperative a certificate for such coverage, evidencing the existence of such coverage. Each policy required hereunder shall contain a contractual endorsement written as follows:</p> <p>“The insurance or bond provided herein shall also be for the benefit of Shelby Energy Cooperative, Inc., so as to guarantee, within the coverage limits, the performance by the insured of any indemnity agreement set forth in this tariff. This insurance or bond may not be canceled for any cause without thirty (30) days advance notice being first given to Shelby Energy Cooperative, Inc.”</p> <p><u>CHANGE OF USE PROVISION:</u></p> <p>When the Cooperative subsequently requires a change in its poles or attachment for reasons unrelated to the CATV operations, the CATV operator shall be given forty-eight (48) hours notice of the proposed change (except in case of emergency). If the CATV operator is unable or unwilling to meet the Cooperative’s time schedule for such changes, the Cooperative may do the work and charge the CATV operator its reasonable cost for performing the change of CATV attachments.</p>	

DATE OF ISSUE: September 19, 1997

EFFECTIVE DATE: June 4, 1997

SUED BY: *Debra Bottom*
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Form for filing Rate Schedules

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

FOR All Territory Served
Community, Town or City
P.S.C. No. 5
Original SHEET NO. 53
CANCELLING P.S.C. NO. 5
SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

JUN 04 1997

Name of Issuing Corporation

PURSUANT TO 807 KAR 5:011,
SECTION 9(1)

BY: Stephen O. Bell
SECRETARY OF THE COMMISSION

CLASSIFICATION OF SERVICE

CABLE TELEVISION ATTACHMENT - RATE 5	RATE PER UNIT
<p><u>ABANDONMENT:</u></p> <p>A. If the Cooperative desires at any time to abandon any pole to which CATV operator has attachments, it shall give the CATV operator notice in writing to that effect at least thirty (30) days prior to the date on which it intends to abandon such pole. If, at the expiration of said period, the Cooperative shall have no attachments on such pole, but the CATV operator shall not have removed all of its attachments therefrom, such pole shall thereupon become the property of the CATV operator, and the CATV operator shall save harmless the Cooperative from all obligation, liability, damages, cost, expenses or charges incurred thereafter; and shall pay the Cooperative for such pole an amount equal to the Cooperative's depreciated cost thereof. The Cooperative shall further evidence transfer to the CATV operator of title to the pole by means of a bill of sale.</p> <p>B. The CATV operator may at any time abandon the use of the attached pole by giving due notice thereof in writing to the Cooperative and by removing therefrom any and all attachments it may have thereon. The CATV operator shall in such case pay to the Cooperative the full rental for said pole for the then current billing period.</p> <p><u>RIGHTS OF OTHERS:</u></p> <p>Upon notice from the Cooperative to the CATV operator that the use of any pole or poles is forbidden by municipal or other public authorities or by property owners, the permit governing the use of such pole or poles shall immediately terminate and the CATV operator shall remove its facilities from the affected pole or poles at once. no refund of any rental will be due on account of any removal resulting from such forbidden use.</p>	

DATE OF ISSUE: September 19, 1997

EFFECTIVE DATE: June 4, 1997

SUED BY: Dudley Botton, Jr.
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. _____ Dated _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

FOR All Territory Served
Community, Town or City
P.S.C. No. 5
Original SHEET NO. 54
CANCELLING P.S.C. NO. 5
SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

JUN 04 1997

Name of Issuing Corporation

PURSUANT TO 807 KAR 5:011,
SECTION 9(1)

BY: Stephan B. Bell
SECRETARY OF THE COMMISSION

CLASSIFICATION OF SERVICE

CABLE TELEVISION ATTACHMENT - RATE 5

RATE
PER UNIT

PAYMENT OF TAXES:

Each party shall pay all taxes and assessments lawfully levied on its own property upon said attached poles, and the taxes and the assessments which are levied on said property shall be paid by the owner thereof, but any tax fee, or charge levied on the Cooperative's poles solely because of their use by the CATV operator shall be paid by the CATV operator.

BOND OR DEPOSITOR PERFORMANCE:

A. The CATV operator shall furnish bond or satisfactory evidence of contractual insurance coverage for the purposes hereinafter specified in the amount of Twenty-five thousand dollars (\$25,000.00), until such time as the CATV operator shall occupy twenty-five hundred (2,500) poles of the Cooperative and thereafter the amount thereof shall be increased to increments of One thousand dollars (\$1,000.00), for each one hundred (100) poles (or fraction thereof) occupied by the CATV operator, evidence of which shall be presented to the Cooperative fifteen (15) days prior to beginning construction. Such bond or insurance shall contain the provision that it shall not be terminated prior to six (6) months after receipt by the Cooperative of written notice of the desire of the Bonding or Insurance Company to terminate such bond or insurance. Upon receipt of such notice, the Cooperative shall request the CATV operator to immediately remove its cables, wires, and all other facilities from all poles of the Cooperative. If the CATV operator should fail to complete the removal of all its facilities from the poles of the Cooperative within thirty (30) days after receipt of such request from the Cooperative, then the Cooperative shall have the right to remove them at the cost and expense of the CATV operator and without being liable for any damage

DATE OF ISSUE: September 19, 1997

EFFECTIVE DATE: June 4, 1997

SUBMITTED BY: Dwight Bottom Jr.
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. _____ Dated _____

Form for filing Rate Schedules

FOR All Territory Served
Community, Town or City
 P.S.C. No. 5
 Original SHEET NO. 55
 CANCELLING P.S.C. NO. 5
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

CLASSIFICATION OF SERVICE

CABLE TELEVISION ATTACHMENT - RATE 5

RATE
PER UNIT

BOND OR DEPOSITOR PERFORMANCE: (continued)

to the CATV operator's wires, cables, fixtures, or appurtenances. Such bond or insurance shall guarantee the payment of any sums which may become due to the Cooperative for rentals, inspections or work performed for the benefit of the CATV operator under this tariff, including the removal of attachments upon termination of service by any of its provisions.

B. After the CATV operator has been a customer of the Cooperative and not in default for a period of two years, the Cooperative shall reduce the bond by 50%, or, at the Cooperative's option, require a deposit in keeping with 807 KAR 5:006, Section 7.

USE OF ANCHORS:

The Cooperative reserves the right to prohibit the use of any existing anchors by CATV operator where the strength or conditions of said anchors cannot be readily identified by visual inspection.

DISCONTINUANCE OF SERVICE:

The Cooperative may refuse or discontinue serving an applicant or customer under the conditions set out in 807 KAR 5:006, Section 11.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 04 1997

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Stephan Bue

SECRETARY OF THE COMMISSION

DATE OF ISSUE: September 19, 1997

EFFECTIVE DATE:

June 4, 1997

ISSUED BY:

Dwight Bottom Jr.
Name of Officer

President & General Manager

Title

Shelbyville, KY 40065

Address

Issued by authority of an Order of the Public Service Commission of Kentucky in

Case No. _____

Dated _____

Form for filing Rate Schedules

FOR All Territory Served
Community, Town or City
 P.S.C. No. 5
 Original SHEET NO. 56
 CANCELLING P.S.C. NO. 5
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

CLASSIFICATION OF SERVICE

VOLUNTARY INTERRUPTIBLE SERVICE - RATE 23	RATE PER UNIT
<p><u>STANDARD RIDER</u></p> <p>This Voluntary Interruptible Service 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 service territory served by the Cooperative.</p> <p>No interruptible demand which is already under contract under any other Interruptible Rider is eligible for this service.</p> <p><u>AVAILABILITY OF SERVICE</u></p> <p>This schedule shall be made available at any load center, to any member cooperative where an ultimate "Customer" is capable of interrupting at least 1,000 kW upon request and has contracted with the Cooperative to do so under a a retail contract rider.</p> <p><u>CONDITIONS OF SERVICE</u></p> <ol style="list-style-type: none"> Any request for interruption under this Rider shall be made by the Cooperative. Each interruption will be strictly voluntary. No responsibility of any kind shall attach to the Cooperative for, or on account of, any loss or damage caused by, or resulting from, any interruption or curtailment of this service. <p style="text-align: right;">NOV 13 2000 <small>PURSUANT TO P07 KAR 50.11</small></p>	

DATE OF ISSUE: October 13, 2000

EFFECTIVE DATE: November 13, 2000

ISSUED BY: *Dwight Patton, Jr.*
 Name of Officer

President & CEO
 Title

Shelbyville, KY 40065
 Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filling Rate Schedules

FOR All Territory Served
Community, Town or City
 P.S.C. No. 5
 Original SHEET NO. 57
 CANCELLING P.S.C. NO. 5
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
VOLUNTARY INTERRUPTIBLE SERVICE - RATE 23	RATE PER UNIT
<p>4. The Customer shall agree by contract to own, operate, and maintain all necessary equipment for receiving electric energy and all telemetering and communications equipment, within the Customer's premises, required for interruptible service.</p> <p>5. It is the Cooperative's responsibility to notify the Customer and execute an interruption request. Therefore, the Cooperative and the Customer shall mutually agree upon the manner by which the Cooperative shall notify the Customer of a request for interruption. Such an agreement shall include the means by which the Cooperative shall communicate the interruption request (e.g. email, phone, pager, etc.) and the Customer's point of contact to receive such a request.</p> <p>6. The Cooperative will attempt to provide as much advance notice as possible for requests for interruption. However, upon the Customer's acceptance of the Terms of Interruption the Customer's load shall be interrupted with as little as one (1) hour of advance notification.</p> <p>7. The Cooperative reserves the right to require verification of a Customer's ability to interrupt its load.</p> <p>8. The Customer is not eligible for the Interruption Credits for any interruption when the Customer's interruptible load is down for other reasons during the period of the requested interruption. Such down time would include any event outside of the Customer's normal operating circumstances such as planned or unplanned outages due to renovation, repair, vacation, refurbishment, renovation, strike or force majeure.</p>	<p>NOV 13 2000</p>

DATE OF ISSUE: October 13, 2000

EFFECTIVE DATE: November 13, 2000

ISSUED BY: *Dudley Bottom*
 Name of Officer

President & CEO
 Title

Shelbyville, KY 40065
 Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
 Original SHEET NO. 58
 CANCELLING P.S.C. NO. 5
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

CLASSIFICATION OF SERVICE

VOLUNTARY INTERRUPTIBLE SERVICE - RATE 23

**RATE
PER UNIT**

INTERRUPTIBLE CUSTOMER DATA REPORT

The Customer shall furnish to the Cooperative an Interruptible Customer Data Report. Such a report shall include such information as:

1. The maximum number of hours per day and the time of day that the Customer has the ability to interrupt.
2. The maximum number of days and the maximum number of consecutive days that the Customer has the the ability to interrupt.
3. The maximum interruptible demand and the minimum interruptible demand by the Customer upon request.
4. The minimum price at which each Customer is willing to interrupt.

DEMAND AND ENERGY INTERRUPTION

The Customer will agree by contract, within an agreed time after receiving notice, to comply to the extent possible with the Cooperative's request to interrupt load. The Cooperative is the sole judge of the need for interruption of load. The Cooperative is the sole judge of the amount of interruptible demand provided by the Customer, based on the following calculation:

The average of the integrated fifteen-minute demand for the two hours prior to the hour immediately preceding the call for interruption will be used as the basis for establishing the existing demand level. The hourly interruptible demands for each customer will be the difference between the existing demand level and the actual demand measured during each hour of the interruption period. The interrupted energy of each interruption period

NOV 13 2000
 PURSUANT TO ORDER OF THE
 PUBLIC SERVICE COMMISSION OF KENTUCKY

DATE OF ISSUE: October 13, 2000

EFFECTIVE DATE: November 13, 2000

ISSUED BY: *Dudley B. Batta, Jr.*
 Name of Officer

President & CEO
 Title

Shelbyville, KY 40065
 Address

Issued by authority of an Order of the Public Service Commission of Kentucky In
 Case No. _____ Dated _____

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
 Original SHEET NO. 59
 CANCELLING P.S.C. NO. 5
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

CLASSIFICATION OF SERVICE

VOLUNTARY INTERRUPTIBLE SERVICE - RATE 23

**RATE
PER UNIT**

shall be the sum of the hourly interrupted demands. These type of interruptions will cover a period of no more than six hours.

For interruptions longer than six hours in duration, the Customer's average load usage for the same hours as the interruption hours in the two preceding business days prior to the day of notice will be used as the basis for determining the demand level for interruption. The average hourly usage for these business days, based on the average integrated fifteen minute demand intervals, minus the actual load during the interruption period will equal the amount of interruptible load. The interrupted energy of each interruption period will equal the amount of interruptible load. The interrupted energy of each interruption period shall be the sum of the hourly interrupted demands.

TERMS OF INTERRUPTION

For each interruption request, the Cooperative shall identify the Customer to be interrupted. The Cooperative shall inform the Customer of an interruption request in accordance with the agreed upon method of notification. The Terms of Interruption shall include the following:

1. The time at which each interruption shall begin is to be established by the Cooperative. At least one (1) hour of advance notice of each request for interruption shall be provided by the Cooperative.
2. The duration in clock hours of the interruption request is to be established by the Cooperative.
3. The price and the potential savings. This savings will be determined by the Cooperative on a case by case basis and will be based on a percentage of the market price of power at the time of the interruption.

NOV 13 2000
 PURSUANT TO ORDER NO. 0111 MAR 5 2011

DATE OF ISSUE: October 13, 2000

EFFECTIVE DATE: November 13, 2000

ISSUED BY: 
 Name of Officer

President & CEO
 Title

Shelbyville, KY 40065
 Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
3rd Revised Sheet No. 60

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

P.S.C. NO. 5
2nd Revised Sheet No. 60

CLASSIFICATION OF SERVICE

SPECIAL OUTDOOR LIGHTING SERVICE - RATE 33

Rate
Per Unit

AVAILABILITY:

This schedule is available to any consumer requesting luminaries for dusk to dawn outdoor or street lighting service of a type not provided for under other rate schedules, and is subject to the established Rules & Regulations of the Cooperative.

TYPE OF SERVICE:

The Cooperative will install and maintain automatic outdoor or street lighting of the desired type by the consumer, single phase, 60 Hertz at available secondary voltage.

RATES:

The monthly charge will be the sum of items (1) and (2) below.

1. The Energy Rate for each type of lamp shall be \$ 0.06440 per kWh
as determined by the following formula:

(1)

Monthly Rated kWh = (4100 hours per year X Manufacturer's total input rating in watts) divided by (12X1000).

2. Facilities Charge - The books of the Cooperative shall accurately reflect the Cooperative's total investment in facilities for each individual, agency or organization receiving service under this tariff. The monthly facilities charge shall be 1.4027 percent of the total investment in these special facilities

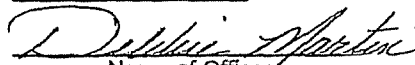
FUEL ADJUSTMENT CLAUSE:

This rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in KAR 5:056.

DATE OF ISSUE: July 21, 2009

DATE EFFECTIVE: August 1, 2009

ISSUED BY:



Name of Officer

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

Issued by authority of an Order of the Public Service Commission of Kentucky in
PURSUANT TO 807 KAR 5:011

Case No. 2008-00536

Dated 8/1/2009
SECTION 9 (4)
July 18, 2009

By 
Executive Director

Form for filing Rate Schedule

FOR	<u>All Territory Served</u>
	Community, Town or City
P.S.C. NO.	<u>5</u>
Original	Sheet No. <u>60</u>

Shelby Energy Cooperative, Inc.
 Shelbyville, Kentucky

 Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
RENEWABLE RESOURCE ENERGY - RATE 24	Rate Per Unit
<p><u>STANDARD RIDER</u></p> <p>This Renewable Resource Energy is a rider to all current rate schedules. The purpose of this rider is to provide consumers with renewable resource energy that is considered to be environmentally friendly. This type of power is also known as "green power".</p> <p><u>APPLICABLE</u></p> <p>To the entire territory served by Shelby Energy Cooperative.</p> <p><u>AVAILABLE</u></p> <p>This schedule is available to any consumer on any other rate schedule offered by Shelby Energy Cooperative in the following block amounts:</p> <p style="text-align: center;">100 kWh Block (minimum size) or greater</p> <p>The consumer will contract with the Cooperative to purchase these blocks of energy under this rider.</p> <p><u>RATES</u></p> <p>The monthly rate for this service will be renewable resource energy premium. This renewable resource energy premium is provided below:</p> <p style="text-align: center;">\$0.0275 per kWh or \$2.75 per 100 kWh block</p> <p>This rate is in addition to the regular retail rates for power.</p>	

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE
 JUL 01 2003
 PURSUANT TO 807 KAR 5.011
 SECTION 9 (1)

DATE OF ISSUE: 30-May-03 DATE EFFECTIVE: 30-May-03

ISSUED BY: *Dwight Bottom* TITLE: President & CEO
 Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____


Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City
P.S.C. NO. 5
Original Sheet No. 61

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

CLASSIFICATION OF SERVICE	
RENEWABLE RESOURCE ENERGY - RATE 24	Rate Per Unit
<p><u>AGREEMENT</u></p> <p>An "Agreement for the Purchase of Renewable Resource Energy" shall be executed by the consumer prior to service under this schedule.</p> <p><u>BILLING AND MINIMUM CHARGES</u></p> <p>Blocks of power contracted for under this tariff shall constitute the minimum amount of energy that the customer will be billed during a normal billing period. The consumer shall be billed at the normal rate for all energy purchased in excess of the contracted renewable resource energy amount. For billing periods shorter than the <i>normal billing cycle or when actual energy usage is less than the contracted amount</i> for renewable resource energy, the consumer shall pay for the full block of renewable energy at the established premium price.</p> <p><u>TERMS OF SERVICE AND PAYMENT</u></p> <p>This rider shall be subject to all other terms and conditions of service and payment of the regular tariffs applicable to the consumer.</p> <p><u>CONDITIONS OF SERVICE</u></p> <p>The rates granted under this rider shall require the execution of a one (1) year contract between the consumer and the Cooperative.</p>	
<p>PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE</p> <p>JUL 01 2003</p> <p>PURSUANT TO 807 KAR 5011 SECTION 9 (1)</p> <p>BY <u>Charles L. Down</u> EXECUTIVE DIRECTOR</p>	

DATE OF ISSUE: 30-May-03 DATE EFFECTIVE: 7/01/03

ISSUED BY:  TITLE: President & CEO

Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. _____ Dated _____

FOR ENTIRE TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 5

Original SHEET NO. 62

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

CLASSIFICATION OF SERVICE

RATES SCHEDULE ES - ENVIRONMENTAL SURCHARGE

AVAILABILITY

In all of the Company's service territory.

APPLICABILITY

This rate schedule shall apply to all electric rate schedules and special contracts.

RATE

$$\text{CES}(m) = \text{ES}(m) - \text{BESF}$$

where CES(m) = Current Month Environmental Surcharge Factor
ES(m) = Current Month Environmental Surcharge Calculation
BESF = Base Environmental Surcharge Factor of 0%

$$\text{ES}(m) = [((\text{WESF}) \times (\text{Average of 12-months ended revenues from sales to Member System, excluding environmental surcharge})) + (\text{Over})/(\text{Under Recovery})] \text{ divided by } [\text{Average of 12-months ending Retail Revenue (excluding environmental surcharge)}] = \underline{\hspace{2cm}} \%$$

where WESF = Wholesale Environmental Surcharge Factor for Current Expense Month

DATE OF ISSUE March 17, 2005
Month / Date / Year

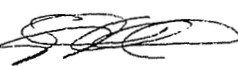
DATE EFFECTIVE Service rendered beginning July 1, 2005
Month / Date / Year

ISSUED BY 
(Signature of Officer)

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2004-00372 DATED 03/17/05

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/1/2005
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By 
Executive Director

FOR ENTIRE TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 5

Original SHEET NO. 63

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

CLASSIFICATION OF SERVICE

(Over)/Under Recovery =

6-months cumulative (over)/under recovery as defined by amount billed by EKPC to Member System minus the amount billed by Member System to retail customer. Over or under recoveries shall be amortized over a six-month period.

BESF = zero

BILLING

The current expense month (m) shall be the second month preceding the month in which the Environmental Surcharge is billed.

DATE OF ISSUE March 17, 2005
Month / Date / Year

DATE EFFECTIVE Service rendered beginning July 1, 2005

ISSUED BY Dudley Bottom Month / Date / Year
(Signature of Officer)

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2004-00372 DATED 03/17/05

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/1/2005
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By [Signature]
Executive Director

Shelby Energy Cooperative, Inc

RATES SCHEDULE NM—NET METERING

AVAILABILITY OF NET METERING SERVICE

Net Metering is available to eligible member-generators in Shelby Energy Cooperative's service territory, upon request, and on a first-come, first-served basis up to a cumulative capacity of one percent (1%) of the Shelby Energy Cooperative's single hour peak load during the previous year. If the cumulative generating capacity of net metering systems reaches 1% of a supplier's single hour peak load during the previous year, upon Commission approval, Shelby Energy Cooperative's obligation to offer net metering to a new member-generator may be limited. An eligible member-generator shall mean a member retail electric member of Shelby Energy Cooperative with a generating facility that:

- 1) Generates electricity using solar energy, wind energy, biomass or biogas energy, or hydro energy;
- 2) Has a rated capacity of not greater than thirty (30) kilowatts;
- 3) Is located on the member's premises;
- 4) Is owned and operated by the member;
- 5) Is connected in parallel with Shelby Energy Cooperative's electric distribution system; and
- 6) Has the primary purpose of supplying all or part of the member's own electricity requirements.

At its sole discretion, Shelby Energy Cooperative may provide Net Metering to other member-generators not meeting all the conditions listed above on a case-by-case basis.

METERING

Shelby Energy Cooperative shall provide net metering services, without any cost to the Member for metering equipment, through a standard kilowatt-hour metering system capable of measuring the flow of electricity in two (2) directions. This provision does not relieve Member of his or her responsibility to pay metering costs embedded in the Shelby Energy Cooperative's Commission-

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Issued by authority of an Order of the Public Service
Case No. 2008-00169 Dated January 8, 2009

TITLE President & Chief Executive Officer
SECTION 9 (1)

PUBLIC SERVICE COMMISSION OF KENTUCKY	
EFFECTIVE 4/8/2009	
KAR 5:011	
SECTION 9 (1)	
By <u><i>J. D. Brown</i></u>	Executive Director

Shelby Energy Cooperative, Inc

approved base rates. Net metered electricity shall be measured in accordance with standard metering practices established by Shelby Energy Cooperative using metering equipment capable of measuring and recording energy flows, on a kWh basis, from Shelby Energy Cooperative to the member-generator and from the member-generator to Shelby Energy Cooperative, with each directional energy flow recorded independently. If time-of-day or time-of-use metering is used, the electricity fed back to the electric grid by the member-generator shall be metered and accounted for at the specific time it is fed back to the electric grid in accordance with the time-of-day and time-of-use billing agreement currently in place.

Any additional meter, meters, or distribution upgrades needed to monitor the flow in each direction shall be installed at the Member's expense.

BILLING AND PAYMENT

For charges collected on the basis of metered registration, Shelby Energy Cooperative shall, for each monthly billing period, determine the net meter registration of the member-generator by comparing the directional energy flow in each direction. If the net meter registration shows that the deliveries of energy in kWh from the member-generator to Shelby Energy Cooperative exceed the deliveries of energy in kWh from Shelby Energy Cooperative to the member-generator, the net meter registration in kWh will be carried forward to the next monthly billing period as a Net Metering Credit, expressed in kWh. If the member-generators carried over a Net Metering Credit from one of more prior months, the net meter registration from the current month shall be added to the Net Metering Credit that exists from prior months.

If the net metering registration shows that deliveries of energy in kWh from the Cooperative to the member-generator exceed the deliveries of energy in kWh from the member-generator to the Cooperative, the member-generator shall pay the Cooperative for the net amount of energy delivered by the Cooperative after application of any Net Metering Credit carried forward from previous months at the current rate applicable to its type or class of electric service.

The member shall be responsible for payment of any applicable member charge or other applicable charges.

At no time shall Shelby Energy Cooperative be required to convert the Net Billing Credit to cash. If a member-generator closes his account, no cash refund for residual Net Metering Credits shall be paid.

Net Metering Credits are not transferable between members or locations.

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DATE EFFECTIVE: April 8, 2009 EFFECTIVE
4/8/2009

ISSUED BY *Dublin Martin*

TITLE President & Chief Executive Officer
PURSUANT TO 807 KAR 5:011
SECTION 9(1)

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. 2008-00169 Dated January 8, 2009

PUBLIC SERVICE COMMISSION OF KENTUCKY	
PURSUANT TO 807 KAR 5:011 SECTION 9(1)	
By <u><i>J. D. Brown</i></u>	Executive Director

Shelby Energy Cooperative, Inc

APPLICATION AND APPROVAL PROCESS

The Member shall submit an Application for Interconnection and Net Metering ("Application") and receive approval from Shelby Energy Cooperative prior to connecting the generator facility to Shelby Energy Cooperative's system.

Applications will be submitted by the Member and reviewed and processed by Shelby Energy Cooperative according to either Level 1 or Level 2 processes defined in this tariff.

Shelby Energy Cooperative may reject an Application for violations of any code, standard, or regulation related to reliability or safety; however, Shelby Energy Cooperative will work with the Member to resolve those issues to the extent practicable.

Members may contact Shelby Energy Cooperative to check on status of an Application or with questions prior to submitting an Application. Contact information is provided on the Application form and is listed on Shelby Energy Cooperative's website.

LEVEL 1 AND LEVEL 2 DEFINITIONS

LEVEL 1

A Level 1 Application shall be used if the generating facility is inverter-based and is certified by a nationally recognized testing laboratory to meet the requirements of Underwriters Laboratories Standard 1741 "Inverters, Converters, Controllers and Interconnection System Equipment for Use With Distributed Energy Resources" (UL 1741).

Shelby Energy Cooperative will approve the Level 1 Application if the generating facility also meets all of the following conditions:

- 1) For interconnection to a radial distribution circuit, the aggregated generation on the circuit, including the proposed generating facility, will not exceed 15% of the Line Section's most recent annual one hour peak load. A line section is the smallest part of the primary distribution system the generating facility could remain connected to after operation of any sectionalizing devices.

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ISSUED BY *Dennis Martin*

TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2008-00169 Dated January 8, 2009

PUBLIC SERVICE COMMISSION
OF KENTUCKY

EFFECTIVE
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SECTION 9 (1)

By *J. D. Brown*
Executive Director

Shelby Energy Cooperative, Inc

- 2) If the proposed generating facility is to be interconnected on a single-phase shared secondary, the aggregate generation capacity, including the proposed generating facility, will not exceed the smaller of 20 kVA or the nameplate rating of the transformer.
- 3) If the proposed generating facility is single-phase and is to be interconnected on a center tap neutral of a 240 volt service, its addition shall not create an imbalance between the two sides of the 240 volt service of more than 20% of the nameplate rating of the service transformer.
- 4) If the generating facility is to be connected to three-phase, three wire primary Shelby Energy Cooperative distribution lines, the generator shall appear as a phase-to-phase connection at the primary Shelby Energy Cooperative distribution line.
- 5) If the generating facility is to be connected to three-phase, four wire primary Shelby Energy Cooperative distribution lines, the generator shall appear to the primary Shelby Energy Cooperative distribution line as an effectively grounded source.
- 6) The interconnection will not be on an area or spot network.
- 7) Shelby Energy Cooperative does not identify any violations of any applicable provisions of IEEE 1547, "Standard for Interconnecting Distributed Resources with Electric Power Systems."
- 8) No construction of facilities by Shelby Energy Cooperative on its own system will be required to accommodate the generating facility.

If the generating facility does not meet all of the above listed criteria, Shelby Energy Cooperative, in its sole discretion, may either: 1) approve the generating facility under the Level 1 Application if Shelby Energy Cooperative determines that the generating facility can be safely and reliably connected to Shelby Energy Cooperative's system; or 2) deny the Application as submitted under the Level 1 Application.

Shelby Energy Cooperative shall notify the member within 20 business days whether the Application is approved or denied, based on the criteria provided in this section.

DATE OF ISSUE April 6, 2009

DATE EFFECTIVE: April 8, 2009

ISSUED BY Dublin Martin

TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in

Case No. 2008-00169 Dated January 8, 2009

PUBLIC SERVICE COMMISSION OF KENTUCKY	
EFFECTIVE <u>4/8/2009</u>	
PURSUANT TO 807 KAR 5.011 SECTION 9 (1)	
By <u>[Signature]</u>	Executive Director

Shelby Energy Cooperative, Inc

If the Application lacks complete information, Shelby Energy Cooperative shall notify the Member that additional information is required, including a list of such additional information. The time between notification and receipt of required additional information will add to the time to process the Application.

When approved, Shelby Energy Cooperative will indicate by signing the approval line on the Level 1 Application Form and returning it to the Member. The approval will be subject to successful completion of an initial installation inspection and witness test if required by Shelby Energy Cooperative. Shelby Energy Cooperative's approval section of the Application will indicate if an inspection and witness test are required. If so, the Member shall notify Shelby Energy Cooperative within 3 business days of completion of the generating facility installation and schedule an inspection and witness test with Shelby Energy Cooperative to occur within 10 business days of completion of the generator facility installation or as otherwise agreed to by Shelby Energy Cooperative and the Member. The Member may not operate the generating facility until successful completion of such inspection and witness test, unless Shelby Energy Cooperative expressly permits operational testing not to exceed two hours. If the installation fails the inspection or witness test due to non-compliance with any provision in the Application and Shelby Energy Cooperative approval, the Member shall not operate the generating facility until any and all non-compliance issues are corrected and re-inspected by Shelby Energy Cooperative.

If the Application is denied, Shelby Energy Cooperative will supply the Member with reasons for denial. The Member may resubmit under Level 2 if appropriate.

LEVEL 2

A Level 2 Application is required under any of the following:

- 1) The generating facility is not inverter based;
- 2) The generating facility uses equipment that is not certified by a nationally recognized testing laboratory to meet the requirements of UL 1741; or
- 3) The generating facility does not meet one or more of the additional conditions under Level 1.

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ISSUED BY

Dubin Martin

TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in SECTION 9 (1)
Case No. 2008-00169 Dated January 8, 2009

PUBLIC SERVICE COMMISSION OF KENTUCKY	
EFFECTIVE 4/8/2009	
APR 5:011	
By	<i>H. D. Brown</i> Executive Director

Shelby Energy Cooperative, Inc

Shelby Energy Cooperative will approve the Level 2 Application if the generating facility meets Shelby Energy Cooperative's technical interconnection requirements, which are based on IEEE 1547.

Shelby Energy Cooperative will process the Level 2 Application within 30 business days of receipt of a complete Application. Within that time Shelby Energy Cooperative will respond in one of the following ways:

- 1) The Application is approved and Shelby Energy Cooperative will provide the Member with an Interconnection Agreement to sign.
- 2) If construction or other changes to Shelby Energy Cooperative's distribution system are required, the cost will be the responsibility of the Member. Shelby Energy Cooperative will give notice to the Member and offer to meet to discuss estimated costs and construction timeframe. Should the Member agree to pay for costs and proceed, Shelby Energy Cooperative will provide the Member with an Interconnection Agreement to sign within a reasonable time.
- 3) The Application is denied. Shelby Energy Cooperative will supply the Member with reasons for denial and offer to meet to discuss possible changes that would result in Shelby Energy Cooperative approval. Member may resubmit Application with changes.

If the Application lacks complete information, Shelby Energy Cooperative shall notify the Member that additional information is required, including a list of such additional information. The time between notification and receipt of required additional information will add to the 30-business-day target to process the Application.

The Interconnection Agreement will contain all the terms and conditions for interconnection consistent with those specified in this tariff, inspection and witness test requirements, description of and cost of construction or other changes to Shelby Energy Cooperative's distribution system required to accommodate the generating facility, and detailed documentation of the generating facilities which may include single line diagrams, relay settings, and a description of operation.

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TITLE President & Chief Executive Officer

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PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE 8/25/08	
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)	
By <u><i>W. D. Brown</i></u>	Executive Director

Shelby Energy Cooperative, Inc

The Member may not operate the generating facility until an Interconnection Agreement is signed by the Member and Shelby Energy Cooperative and all necessary conditions stipulated in the agreement are met.

APPLICATION, INSPECTION AND PROCESSING FEES

No application fees or other review, study, or inspection or witness test fees may be charged by Shelby Energy Cooperative for Level 1 Applications.

Shelby Energy Cooperative requires each Member to submit with each Level 2 Application a non-refundable application, inspection and processing fee of \$100 for Level 2 Applications. In the event Shelby Energy Cooperative determines an impact study is necessary with respect to a Level 2 Application, the Member shall be responsible for any reasonable costs up to \$1,000 for the initial impact study. Shelby Energy Cooperative shall provide documentation of the actual cost of the impact study. Any other studies requested by the Member shall be at the Member's sole expense.

TERMS AND CONDITIONS FOR INTERCONNECTION

To interconnect to Shelby Energy Cooperative's distribution system, the Member's generating facility shall comply with the following terms and conditions:

- 1) Shelby Energy Cooperative shall provide the Member net metering services, without charge for standard metering equipment, through a standard kilowatt-hour metering system capable of measuring the flow of electricity in two (2) directions. If the Member requests any additional meter or meters or distribution upgrades are needed to monitor the flow in each direction, such installations shall be at the Member's expense.
- 2) The Member shall install, operate, and maintain, at Member's sole cost and expense, any control, protective, or other equipment on the Member's system required by Shelby Energy Cooperative's technical interconnection requirements based on IEEE 1547, the NEC, accredited testing laboratories such as Underwriters Laboratories, and the manufacturer's suggested practices for safe, efficient and reliable operation

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TITLE President & Chief Executive Officer

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PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
4/8/2009
SECTION 9 (1)

By *J. D. Brown*
Executive Director

of the generating facility in parallel with Shelby Energy Cooperative's electric system. Member shall bear full responsibility for the installation, maintenance and safe operation of the generating facility. Upon reasonable request from Shelby Energy Cooperative, the Member shall demonstrate generating facility compliance.

- 3) The generating facility shall comply with, and the Member shall represent and warrant its compliance with: (a) any applicable safety and power quality standards established by IEEE and accredited testing laboratories such as Underwriters Laboratories; (b) the NEC as may be revised from time to time; (c) Shelby Energy Cooperative's rules, regulations, and Service Regulations as contained in Shelby Energy Cooperative's Retail Electric Tariff as may be revised from time to time with the approval of the Kentucky Public Service Commission (Commission); (d) the rules and regulations of the Commission, as such rules and regulations may be revised from time to time by the Commission; and (e) all other applicable local, state, and federal codes and laws, as the same may be in effect from time to time. Where required by law, Member shall pass an electrical inspection of the generating facility by a local authority having jurisdiction over the installation.
- 4) Any changes or additions to Shelby Energy Cooperative's system required to accommodate the generating facility shall be considered excess facilities. Member shall agree to pay Shelby Energy Cooperative for actual costs incurred for all such excess facilities prior to construction.
- 5) Member shall operate the generating facility in such a manner as not to cause undue fluctuations in voltage, intermittent load characteristics or otherwise interfere with the operation of Shelby Energy Cooperative's electric system. At all times when the generating facility is being operated in parallel with Shelby Energy Cooperative's electric system, Member shall operate the generating facility in such a manner that no adverse impacts will be produced thereby to the service quality rendered by Shelby Energy Cooperative to any of its other members or to any electric system interconnected with Shelby Energy Cooperative's electric system. Member shall agree that the interconnection and operation of the generating facility is secondary to, and shall not interfere with, Shelby Energy Cooperative's ability to meet its primary responsibility of furnishing reasonably adequate service to its members.

DATE OF ISSUE April 6, 2009

DATE EFFECTIVE: April 8, 2009

ISSUED BY

Debbie Martin

TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in

Case No. 2008-00169 Dated January 8, 2009

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
4/8/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By

W. D. Brown

Executive Director

Shelby Energy Cooperative, Inc

- 6) The Member shall be responsible for protecting, at Member's sole cost and expense, the generating facility from any condition or disturbance on Shelby Energy Cooperative's electric system, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment failures, and lightning or switching surges, except that Shelby Energy Cooperative shall be responsible for repair of damage caused to the generating facility resulting solely from the negligence or willful misconduct on the part of Shelby Energy Cooperative.
- 7) After initial installation, Shelby Energy Cooperative shall have the right to inspect and/or witness commissioning tests, as specified in the Level 1 or Level 2 Application and approval process. Following the initial testing and inspection of the generating facility and upon reasonable advance notice to the Member, Shelby Energy Cooperative shall have access at reasonable times to the generating facility to perform reasonable on-site inspections to verify that the installation, maintenance, and operation of the generating facility comply with the requirements of this tariff.
- 8) For Level 1 and 2 generating facilities, an eligible Member shall furnish and install on the Member's side of the point of common coupling a safety disconnect switch which shall be capable of fully disconnecting the Member's energy generating equipment from Shelby Energy Cooperative's electric service under the full rated conditions of the Member's generating facility. The external disconnect switch (EDS) shall be located adjacent to Shelby Energy Cooperative's meters or the location of the EDS shall be noted by placing a sticker on the meter, and shall be of the visible break type in a metal enclosure which can be secured by a padlock. If the EDS is not located directly adjacent to the meter, the Member shall be responsible for ensuring that the location of the EDS is properly and legibly identified for so long as the generating facility is operational. The disconnect switch shall be accessible to Shelby Energy Cooperative personnel at all times. Shelby Energy Cooperative may waive the requirement for an EDS for a generating facility at its sole discretion, and on a case-by-case basis, upon review of the generating facility operating parameters and if permitted under Shelby Energy Cooperative's safety and operating protocols.
- 9) Shelby Energy Cooperative shall have the right and authority at Shelby Energy Cooperative's sole discretion to isolate the generating facility or require the Member to discontinue operation of the generating facility if Shelby Energy

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

DATE OF ISSUE April 6, 2009

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4/8/2009

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TITLE President & Chief Executive Officer

SECTION 9 (1)

Issued by authority of an Order of the Public Service Commission of Kentucky in

Case No. 2008-00169 Dated January 8, 2009

By *J. D. Brown*
Executive Director

Cooperative believes that: (a) continued interconnection and parallel operation of the generating facility with Shelby Energy Cooperative's electric system may create or contribute to a system emergency on either Shelby Energy Cooperative's or the Member's electric system; (b) the generating facility is not in compliance with the requirements of this tariff, and the noncompliance adversely affects the safety, reliability, or power quality of Shelby Energy Cooperative's electric system; or (c) the generating facility interferes with the operation of Shelby Energy Cooperative's electric system. In non-emergency situations, Shelby Energy Cooperative shall give the Member notice of noncompliance including a description of the specific noncompliance condition and allow the Member a reasonable time to cure the noncompliance prior to isolating the generating facilities. In emergency situations, when Shelby Energy Cooperative is unable to immediately isolate or cause the Member to isolate only the generating facility, Shelby Energy Cooperative may isolate the Member's entire facility.

- 10) The Member shall agree that, without the prior written permission from Shelby Energy Cooperative, no changes shall be made to the generating facility as initially approved. Increases in generating facility capacity will require a new "Application for Interconnection and Net Metering" which will be evaluated on the same basis as any other new application. Repair and replacement of existing generating facility components with like components that meet UL 1741 certification requirements for Level 1 facilities and not resulting in increases in generating facility capacity is allowed without approval.
- 11) To the extent permitted by law, the Member shall protect, indemnify, and hold harmless Shelby Energy Cooperative and its directors, officers, employees, agents, representatives and contractors against and from all loss, claims, actions or suits, including costs and attorneys fees, for or on account of any injury or death of persons or damage to property caused by the Member or the Member's employees, agents, representatives and contractors in tampering with, repairing, maintaining, or operating the Member's generating facility or any related equipment or any facilities owned by Shelby Energy Cooperative except where such injury, death or damage was caused or contributed to by the fault or negligence of Shelby Energy Cooperative or its employees, agents, representatives, or contractors.

DATE OF ISSUE April 6, 2009

DATE EFFECTIVE: April 8, 2009

ISSUED BY *Debbie Martin*

TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky
Case No. 2008-00169 Dated January 8, 2009

PUBLIC SERVICE COMMISSION
OF KENTUCKY

EFFECTIVE
4/8/2009
KAR 5:011
SECTION 9 (1)

By *W. D. Brown*
Executive Director

Shelby Energy Cooperative, Inc

The liability of Shelby Energy Cooperative to the Member for injury to person and property shall be governed by the tariff(s) for the class of service under which the Member is taking service.

- 12) The Member shall maintain general liability insurance coverage (through a standard homeowner's, commercial, or other policy) for both Level 1 and Level 2 generating facilities. The Member shall, upon request, provide Shelby Energy Cooperative with proof of such insurance at the time that application is made for net metering.
- 13) By entering into an Interconnection Agreement, or by inspection, if any, or by non-rejection, or by approval, or in any other way, Shelby Energy Cooperative does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable codes or requirements, or as to any other characteristics, of the generating facility equipment, controls, and protective relays and equipment.
- 14) A Member's generating facility is transferable to other persons or service locations only after notification to Shelby Energy Cooperative has been made and verification that the installation is in compliance with this tariff. Upon written notification that an approved generating facility is being transferred to another person, member, or location, Shelby Energy Cooperative will verify that the installation is in compliance with this tariff and provide written notification to the member(s) within 20 business days. If the installation is no longer in compliance with this tariff, Shelby Energy Cooperative will notify the Member in writing and list what must be done to place the facility in compliance.
- 15) The Member shall retain any and all Renewable Energy Credits (RECs) that may be generated by their generating facility.

EFFECTIVE TERM AND TERMINATION RIGHTS

This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) Member may terminate this Agreement at any time by giving Shelby Energy Cooperative at least sixty (60) days' written notice; (b) Shelby Energy Cooperative may terminate upon failure by the Member to continue ongoing operation of the generating facility; (c) either party may terminate by giving the other party at

DATE OF ISSUE April 6, 2009

DATE EFFECTIVE: April 8, 2009

ISSUED BY *Debbie Martin*

TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2008-00169 Dated January 8, 2009

PUBLIC SERVICE COMMISSION
OF KENTUCKY

EFFECTIVE
4/8/2009

KAR 5:011
SECTION 9 (1)

By *[Signature]*
Executive Director

Shelby Energy Cooperative, Inc

least thirty (30) days prior written notice that the other party is in default of any of the terms and conditions of the Agreement or the Rules or any rate schedule, tariff, regulation, contract, or policy of Shelby Energy Cooperative, so long as the notice specifies the basis for termination and there is opportunity to cure the default; (d) Shelby Energy Cooperative may terminate by giving the Member at least thirty (30) days notice in the event that there is a material change in an applicable law, regulation or statute affecting this Agreement or which renders the system out of compliance with the new law or statute.

DATE OF ISSUE April 6, 2009

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TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky

Case No. 2008-00169 Dated January 8, 2009

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
By [Signature]
Executive Director

Shelby Energy Cooperative, Inc

LEVEL 1

Application for Interconnection and Net Metering

Use this application form only for a generating facility that is inverter based and certified by a nationally recognized testing laboratory to meet the requirements of UL1741.

Submit this Application to:

Shelby Energy Cooperative, Inc
620 Old Finchville Rd
Shelbyville, KY 40065

If you have questions regarding this Application or its status, contact the Cooperative at:

(502) 633-4420

Member Name: _____ Account Number: _____

Member Address: _____

Member PhoneNo.: _____ Member E-Mail Address: _____

Project Contact Person: _____

Phone No.: _____ E-mail Address (Optional): _____

Provide names and contact information for other contractors, installers, or engineering firms involved in the design and installation of the generating facilities:

Energy Source: Solar Wind Hydro Biogas Biomass

Inverter Manufacturer and Model #: _____

Inverter Power Rating: _____ Inverter Voltage Rating: _____

Power Rating of Energy Source (i.e., solar panels, wind turbine): _____

Is Battery Storage Used: No Yes If Yes, Battery Power Rating: _____

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ISSUED BY Debbie Martin TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky SECTION 9 (1)

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By <u>[Signature]</u>	Executive Director

Shelby Energy Cooperative, Inc

Attach documentation showing that inverter is certified by a nationally recognized testing laboratory to meet the requirements of UL 1741.

Attach site drawing or sketch showing location of Cooperative's meter, energy source, Cooperative accessible disconnect switch and inverter.

Attach single line drawing showing all electrical equipment from the Cooperative's metering location to the energy source including switches, fuses, breakers, panels, transformers, inverters, energy source, wire size, equipment ratings, and transformer connections.

Expected Start-up Date: _____

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PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

ISSUED BY *Debbie Martin* TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in Kentucky TO 807 KAR 5:011
Case No. 2008-00169 Dated January 8, 2009
SECTION 9 (1)

By *JH Deaver*
Executive Director

Shelby Energy Cooperative, Inc

TERMS AND CONDITIONS:

- 1) Shelby Energy Cooperative shall provide the Member net metering services, without charge for standard metering equipment, through a standard kilowatt-hour metering system capable of measuring the flow of electricity in two (2) directions. If the Member requests any additional meter or meters or distribution upgrades are needed to monitor the flow in each direction, such installations shall be at the Member's expense.
- 2) The Member shall install, operate, and maintain, at Member's sole cost and expense, any control, protective, or other equipment on the Member's system required by Shelby Energy Cooperative's technical interconnection requirements based on IEEE 1547, the NEC, accredited testing laboratories such as Underwriters Laboratories, and the manufacturer's suggested practices for safe, efficient and reliable operation of the generating facility in parallel with Shelby Energy Cooperative's electric system. The Member shall bear full responsibility for the installation, maintenance and safe operation of the generating facility. Upon reasonable request from Shelby Energy Cooperative, the Member shall demonstrate generating facility compliance.
- 3) The generating facility shall comply with, and the Member shall represent and warrant its compliance with: (a) any applicable safety and power quality standards established by IEEE and accredited testing laboratories such as Underwriters Laboratories; (b) the NEC as may be revised from time to time; (c) Shelby Energy Cooperative's rules, regulations, and Service Regulations as contained in Shelby Energy Cooperative's Retail Electric Tariff as may be revised from time to time with the approval of the Kentucky Public Service Commission (Commission); (d) the rules and regulations of the Commission, as such rules and regulations may be revised from time to time by the Commission; and (e) all other applicable local, state, and federal codes and laws, as the same may be in effect from time to time. Where required by law, Member shall pass an electrical inspection of the generating facility by a local authority having jurisdiction over the installation.
- 4) Any changes or additions to Shelby Energy Cooperative's system required to accommodate the generating facility shall be considered excess facilities. Member shall agree to pay Shelby Energy Cooperative for actual costs incurred for all such excess facilities prior to construction.

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ISSUED BY D. Debus Martin TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky pursuant to 807 KAR 5:011
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OF KENTUCKY
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By [Signature]
Executive Director

Shelby Energy Cooperative, Inc

- 5) The Member shall operate the generating facility in such a manner as not to cause undue fluctuations in voltage, intermittent load characteristics or otherwise interfere with the operation of Shelby Energy Cooperative's electric system. At all times when the generating facility is being operated in parallel with Shelby Energy Cooperative's electric system, the Member shall operate the generating facility in such a manner that no adverse impacts will be produced thereby to the service quality rendered by Shelby Energy Cooperative to any of its other members or to any electric system interconnected with Shelby Energy Cooperative's electric system. The Member shall agree that the interconnection and operation of the generating facility is secondary to, and shall not interfere with, Shelby Energy Cooperative's ability to meet its primary responsibility of furnishing reasonably adequate service to its members.
- 6) The Member shall be responsible for protecting, at Member's sole cost and expense, the generating facility from any condition or disturbance on Shelby Energy Cooperative's electric system, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment failures, and lightning or switching surges, except that Shelby Energy Cooperative shall be responsible for repair of damage caused to the generating facility resulting solely from the negligence or willful misconduct on the part of Shelby Energy Cooperative.
- 7) After initial installation, Shelby Energy Cooperative shall have the right to inspect and/or witness commissioning tests, as specified in the Level 1 or Level 2 Application and approval process. Following the initial testing and inspection of the generating facility and upon reasonable advance notice to the Member, Shelby Energy Cooperative shall have access at reasonable times to the generating facility to perform reasonable on-site inspections to verify that the installation, maintenance, and operation of the generating facility comply with the requirements of this tariff.
- 8) For Level 1 and 2 generating facilities, an eligible Member shall furnish and install on the Member's side of the point of common coupling a safety disconnect switch which shall be capable of fully disconnecting the Member's energy generating equipment from Shelby Energy Cooperative's electric service under the full rated conditions of the Member's generating facility. The external disconnect switch (EDS) shall be located adjacent to Shelby Energy Cooperative's meters or the location of the EDS shall be noted by placing a sticker on the meter, and shall be of the visible break type in a metal enclosure which can be secured by a padlock. If the EDS is not located directly adjacent to the meter, the

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ISSUED BY *Dennis Martin*
Issued by authority of an Order of the Public Service Commission
Case No. 2008-00169 Dated January 8, 2009

TITLE President & Chief Executive Officer
of Kentucky in SECTION 9 (1)

PUBLIC SERVICE COMMISSION
OF KENTUCKY

By *H. Brown*
Executive Director

Shelby Energy Cooperative, Inc

Member shall be responsible for ensuring that the location of the EDS is properly and legibly identified for so long as the generating facility is operational. The disconnect switch shall be accessible to Shelby Energy Cooperative personnel at all times. Shelby Energy Cooperative may waive the requirement for an EDS for a generating facility at its sole discretion, and on a case-by-case basis, upon review of the generating facility operating parameters and if permitted under Shelby Energy Cooperative's safety and operating protocols.

- 9) Shelby Energy Cooperative shall have the right and authority at Shelby Energy Cooperative's sole discretion to isolate the generating facility or require the Member to discontinue operation of the generating facility if Shelby Energy Cooperative believes that: (a) continued interconnection and parallel operation of the generating facility with Shelby Energy Cooperative's electric system may create or contribute to a system emergency on either Shelby Energy Cooperative's or the Member's electric system; (b) the generating facility is not in compliance with the requirements of this tariff, and the noncompliance adversely affects the safety, reliability, or power quality of Shelby Energy Cooperative's electric system; or (c) the generating facility interferes with the operation of Shelby Energy Cooperative's electric system. In non-emergency situations, Shelby Energy Cooperative shall give the Member notice of noncompliance including a description of the specific noncompliance condition and allow the Member a reasonable time to cure the noncompliance prior to isolating the generating facilities. In emergency situations, when the Shelby Energy Cooperative is unable to immediately isolate or cause the Member to isolate only the generating facility, Shelby Energy Cooperative may isolate the Member's entire facility.
- 10) The Member shall agree that, without the prior written permission from Shelby Energy Cooperative, no changes shall be made to the generating facility as initially approved. Increases in generating facility capacity will require a new "Application for Interconnection and Net Metering" which will be evaluated on the same basis as any other new application. Repair and replacement of existing generating facility components with like components that meet UL 1741 certification requirements for Level 1 facilities and not resulting in increases in generating facility capacity is allowed without approval.

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ISSUED BY Debbie Martin TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in SECTION 9 (1)

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By <u>[Signature]</u> Executive Director	

Shelby Energy Cooperative, Inc

- 11) To the extent permitted by law, the Member shall protect, indemnify, and hold harmless Shelby Energy Cooperative and its directors, officers, employees, agents, representatives and contractors against and from all loss, claims, actions or suits, including costs and attorneys fees, for or on account of any injury or death of persons or damage to property caused by the Member or the Member's employees, agents, representatives and contractors in tampering with, repairing, maintaining, or operating the Member's generating facility or any related equipment or any facilities owned by Shelby Energy Cooperative except where such injury, death or damage was caused or contributed to by the fault or negligence of Shelby Energy Cooperative or its employees, agents, representatives, or contractors.

The liability of Shelby Energy Cooperative to the Member for injury to person and property shall be governed by the tariff(s) for the class of service under which the Member is taking service.

- 12) The Member shall maintain general liability insurance coverage (through a standard homeowner's, commercial, or other policy) for both Level 1 and Level 2 generating facilities. The Member shall, upon request, provide Shelby Energy Cooperative with proof of such insurance at the time that application is made for net metering.
- 13) By entering into an Interconnection Agreement, or by inspection, if any, or by non-rejection, or by approval, or in any other way, Shelby Energy Cooperative does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable codes or requirements, or as to any other characteristics, of the generating facility equipment, controls, and protective relays and equipment.
- 14) A Member's generating facility is transferable to other persons or service locations only after notification to Shelby Energy Cooperative has been made and verification that the installation is in compliance with this tariff. Upon written notification that an approved generating facility is being transferred to another person, member, or location, Shelby Energy Cooperative will verify that the installation is in compliance with this tariff and provide written notification to the member(s) within 20 business days. If the installation is no longer in compliance with this tariff, Shelby Energy Cooperative will notify the Member in writing and list what must be done to place the facility in compliance.

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TITLE President & Chief Executive Officer

PUBLIC SERVICE COMMISSION
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SECTION 9 (1)

By *JH Deaver*
Executive Director

Shelby Energy Cooperative, Inc

15) The Member shall retain any and all Renewable Energy Credits (RECs) that may be generated by their generating facility.

EFFECTIVE TERM AND TERMINATION RIGHTS

This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) The Member may terminate this Agreement at any time by giving Shelby Energy Cooperative at least sixty (60) days' written notice; (b) Shelby Energy Cooperative may terminate upon failure by the Member to continue ongoing operation of the generating facility; (c) either party may terminate by giving the other party at least thirty (30) days prior written notice that the other party is in default of any of the terms and conditions of the Agreement or the Rules or any rate schedule, tariff, regulation, contract, or policy of Shelby Energy Cooperative, so long as the notice specifies the basis for termination and there is opportunity to cure the default; (d) Shelby Energy Cooperative may terminate by giving the Member at least thirty (30) days notice in the event that there is a material change in an applicable law, regulation or statute affecting this Agreement or which renders the system out of compliance with the new law or statute.

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ISSUED BY *Debbie Martin*

TITLE President & Chief Executive Officer

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PUBLIC SERVICE COMMISSION
OF KENTUCKY
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By *J. D. Brown*
Executive Director

Shelby Energy Cooperative, Inc

I hereby certify that, to the best of my knowledge, all of the information provided in this Application is true, and I agree to abide by all the Terms and Conditions included in this Application for Interconnection and Net Metering and Shelby Energy Cooperative's Net Metering Tariff.

Member Signature _____ Date _____

Title _____

COOPERATIVE APPROVAL SECTION

When signed below by a Cooperative representative, Application for Interconnection and Net Metering is approved subject to the provisions contained in this Application and as indicated below.

Cooperative inspection and witness test: Required Waived

If inspection and witness test is required, the Member shall notify the Cooperative within 3 business days of completion of the generating facility installation and schedule an inspection and witness test with the Cooperative to occur within 10 business days of completion of the generating facility installation or as otherwise agreed to by the Cooperative and the Member. Unless indicated below, the Member may not operate the generating facility until such inspection and witness test is successfully completed. Additionally, the Member may not operate the generating facility until all other terms and conditions in the Application have been met.
Call _____ to schedule an inspection and witness test.

Pre-Inspection operational testing not to exceed two hours: Allowed Not Allowed

If inspection and witness test is waived, operation of the generating facility may begin when installation is complete, and all other terms and conditions in the Application have been met.

Additions, Changes, or Clarifications to Application Information:

None As specified here: _____

Approved by: _____ Date: _____

Printed Name: _____ Title: _____

DATE OF ISSUE April 6, 2009

DATE EFFECTIVE: April 8, 2009

ISSUED BY Debbie Martin TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of F

Case No. 2008-00169 Dated January 8, 2009

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE _____
PURSUANT TO 807 KAR 5:011

By [Signature]
Executive Director

Shelby Energy Cooperative, Inc

LEVEL 2

Application For Interconnection And Net Metering

Use this Application form when generating facility is not inverter-based or is not certified by a nationally recognized testing laboratory to meet the requirements of UL 1741 or does not meet any of the additional conditions under Level 1.

Submit this Application along with an application fee of \$100 to:

Shelby Energy Cooperative, Inc
620 Old Finchville Road
Shelbyville, KY 40065

If you have questions regarding this Application or its status, contact the Cooperative at:

(502) 633-4420

Member Name: _____ Account Number: _____

Member Address: _____

Project Contact Person: _____

Phone No.: _____ Email Address (Optional): _____

Provide names and contact information for other contractors, installers, or engineering firms involved in the design and installation of the generating facilities:

Total Generating Capacity of Generating Facility: _____

Type of Generator: Inverter-Based Synchronous Induction

Power Source: Solar Wind Hydro Biogas Biomass

Adequate documentation and information must be submitted with this application to be considered complete. Typically this should include the following:

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By <u>[Signature]</u>	Executive Director

Shelby Energy Cooperative, Inc

1. Single-line diagram of the member's system showing all electrical equipment from the generator to the point of interconnection with the Cooperative's distribution system, including generators, transformers, switchgear, switches, breakers, fuses, voltage transformers, current transformers, wire sizes, equipment ratings, and transformer connections.
2. Control drawings for relays and breakers.
3. Site Plans showing the physical location of major equipment.
4. Relevant ratings of equipment. Transformer information should include capacity ratings, voltage ratings, winding arrangements, and impedance.
5. If protective relays are used, settings applicable to the interconnection protection. If programmable relays are used, a description of how the relay is programmed to operate as applicable to interconnection protection.
6. A description of how the generator system will be operated including all modes of operation.
7. For inverters, the manufacturer name, model number, and AC power rating. For certified inverters, attach documentation showing that inverter is certified by a nationally recognized testing laboratory to meet the requirements of UL1741.
8. For synchronous generators, manufacturer and model number, nameplate ratings, and impedance data (X_d , $X'd$, & $X''d$).
9. For induction generators, manufacturer and model number, nameplate ratings, and locked rotor current.

Member Signature: _____ Date: _____

DATE OF ISSUE April 6, 2009

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ISSUED BY

Debbie Martin

TITLE

President & Chief Executive Officer

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PUBLIC SERVICE COMMISSION
OF KENTUCKY

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SECTION 9 (1)

By

[Signature]

Executive Director

Shelby Energy Cooperative, Inc

LEVEL 2
INTERCONNECTION AGREEMENT

THIS INTERCONNECTION AGREEMENT (Agreement) is made and entered into this _____ day of _____, 20__, by and between _____ (Cooperative), and _____ (Member). Cooperative and Member are hereinafter sometimes referred to individually as "Party" or collectively as "Parties".

WITNESSETH:

WHEREAS, Member is installing, or has installed, generating equipment, controls, and protective relays and equipment (Generating Facility) used to interconnect and operate in parallel with Cooperative's electric system, which Generating Facility is more fully described in Exhibit A, attached hereto and incorporated herein by this Agreement, and as follows:

Location: _____

Generator Size and Type: _____

NOW, THEREFORE, in consideration thereof, Member and Cooperative agree as follows:

Cooperative agrees to allow the Member to interconnect and operate the Generating Facility in parallel with the Cooperative's electric system and the Member agrees to abide by Cooperative's Net Metering Tariff and all the Terms and Conditions listed in this Agreement including any additional conditions listed in Exhibit A.

TERMS AND CONDITIONS:

- 1) Shelby Energy Cooperative shall provide the Member net metering services, without charge for standard metering equipment, through a standard kilowatt-hour metering system capable of measuring the flow of electricity in two (2) directions. If the Member requests any additional meter or meters or distribution upgrades are needed to monitor the flow in each direction, such installations shall be at the Member's expense.

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ISSUED BY

Debbie Martin

TITLE President & Chief Executive Officer

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By	<i>J. D. Green</i> Executive Director

- 2) The Member shall install, operate, and maintain, at the Member's sole cost and expense, any control, protective, or other equipment on the Member's system required by Shelby Energy Cooperative's technical interconnection requirements based on IEEE 1547, the NEC, accredited testing laboratories such as Underwriters Laboratories, and the manufacturer's suggested practices for safe, efficient and reliable operation of the generating facility in parallel with Shelby Energy Cooperative's electric system. The Member shall bear full responsibility for the installation, maintenance and safe operation of the generating facility. Upon reasonable request from Shelby Energy Cooperative, the Member shall demonstrate generating facility compliance.
- 3) The generating facility shall comply with, and the Member shall represent and warrant its compliance with: (a) any applicable safety and power quality standards established by IEEE and accredited testing laboratories such as Underwriters Laboratories; (b) the NEC as may be revised from time to time; (c) Shelby Energy Cooperative's rules, regulations, and Service Regulations as contained in Shelby Energy Cooperative's Retail Electric Tariff as may be revised from time to time with the approval of the Kentucky Public Service Commission (Commission); (d) the rules and regulations of the Commission, as such rules and regulations may be revised from time to time by the Commission; and (e) all other applicable local, state, and federal codes and laws, as the same may be in effect from time to time. Where required by law, the Member shall pass an electrical inspection of the generating facility by a local authority having jurisdiction over the installation.
- 4) Any changes or additions to Shelby Energy Cooperative's system required to accommodate the generating facility shall be considered excess facilities. The Member shall agree to pay Shelby Energy Cooperative for actual costs incurred for all such excess facilities prior to construction.
- 5) The Member shall operate the generating facility in such a manner as not to cause undue fluctuations in voltage, intermittent load characteristics or otherwise interfere with the operation of Shelby Energy Cooperative's electric system. At all times when the generating facility is being operated in parallel with Shelby Energy Cooperative's electric system, the Member shall operate the generating facility in such a manner that no adverse impacts will be produced thereby to the service quality rendered by Shelby Energy Cooperative to any

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By [Signature]
Executive Director

Shelby Energy Cooperative, Inc

- of its other members or to any electric system interconnected with Shelby Energy Cooperative's electric system. The Member shall agree that the interconnection and operation of the generating facility is secondary to, and shall not interfere with, Shelby Energy Cooperative's ability to meet its primary responsibility of furnishing reasonably adequate service to its members.
- 6) The Member shall be responsible for protecting, at the Member's sole cost and expense, the generating facility from any condition or disturbance on Shelby Energy Cooperative's electric system, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment failures, and lightning or switching surges, except that Shelby Energy Cooperative shall be responsible for repair of damage caused to the generating facility resulting solely from the negligence or willful misconduct on the part of Shelby Energy Cooperative.
 - 7) After initial installation, Shelby Energy Cooperative shall have the right to inspect and/or witness commissioning tests, as specified in the Level 1 or Level 2 Application and approval process. Following the initial testing and inspection of the generating facility and upon reasonable advance notice to the Member, Shelby Energy Cooperative shall have access at reasonable times to the generating facility to perform reasonable on-site inspections to verify that the installation, maintenance, and operation of the generating facility comply with the requirements of this tariff.
 - 8) For Level 1 and 2 generating facilities, an eligible Member shall furnish and install on the Member's side of the point of common coupling a safety disconnect switch which shall be capable of fully disconnecting the Member's energy generating equipment from Shelby Energy Cooperative's electric service under the full rated conditions of the Member's generating facility. The external disconnect switch (EDS) shall be located adjacent to Shelby Energy Cooperative's meters or the location of the EDS shall be noted by placing a sticker on the meter, and shall be of the visible break type in a metal enclosure which can be secured by a padlock. If the EDS is not located directly adjacent to the meter, the Member shall be responsible for ensuring that the location of the EDS is properly and legibly identified for so long as the generating facility is operational. The disconnect switch shall be accessible to Shelby Energy Cooperative personnel at all times. Shelby Energy Cooperative may waive the requirement for an EDS for a generating facility at its sole

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PUBLIC SERVICE COMMISSION OF KENTUCKY
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By *J. D. Brown*
Executive Director

Shelby Energy Cooperative, Inc

discretion, and on a case-by-case basis, upon review of the generating facility operating parameters and if permitted under Shelby Energy Cooperative's safety and operating protocols.

- 9) Shelby Energy Cooperative shall have the right and authority at Shelby Energy Cooperative's sole discretion to isolate the generating facility or require the Member to discontinue operation of the generating facility if Shelby Energy Cooperative believes that: (a) continued interconnection and parallel operation of the generating facility with Shelby Energy Cooperative's electric system may create or contribute to a system emergency on either Shelby Energy Cooperative's or the Member's electric system; (b) the generating facility is not in compliance with the requirements of this tariff, and the noncompliance adversely affects the safety, reliability, or power quality of Shelby Energy Cooperative's electric system; or (c) the generating facility interferes with the operation of Shelby Energy Cooperative's electric system. In non-emergency situations, Shelby Energy Cooperative shall give the Member notice of noncompliance including a description of the specific noncompliance condition and allow the Member a reasonable time to cure the noncompliance prior to isolating the generating facilities. In emergency situations, when Shelby Energy Cooperative is unable to immediately isolate or cause the Member to isolate only the generating facility, Shelby Energy Cooperative may isolate the Member's entire facility.

- 10) The Member shall agree that, without the prior written permission from Shelby Energy Cooperative, no changes shall be made to the generating facility as initially approved. Increases in generating facility capacity will require a new "Application for Interconnection and Net Metering" which will be evaluated on the same basis as any other new application. Repair and replacement of existing generating facility components with like components that meet UL 1741 certification requirements for Level 1 facilities and not resulting in increases in generating facility capacity is allowed without approval.

- 11) To the extent permitted by law, the Member shall protect, indemnify, and hold harmless Shelby Energy Cooperative and its directors, officers, employees, agents, representatives and contractors against and from all loss, claims, actions or suits, including costs and attorneys fees, for or on account of any injury or death of persons or damage to property caused by the Member or the Member's employees, agents, representatives and contractors in tampering with, repairing, maintaining, or operating the Member's generating facility or any related equipment or any facilities owned by Shelby Energy

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TITLE President & Executive Officer
SECTION 9 (1)

PUBLIC SERVICE COMMISSION
OF KENTUCKY

By *J. D. Boen*
Executive Director

Shelby Energy Cooperative, Inc

Cooperative except where such injury, death or damage was caused or contributed to by the fault or negligence of the Shelby Energy Cooperative or its employees, agents, representatives, or contractors.

The liability of Shelby Energy Cooperative to the Member for injury to person and property shall be governed by the tariff(s) for the class of service under which the Member is taking service.

- 12) The Member shall maintain general liability insurance coverage (through a standard homeowner's, commercial, or other policy) for both Level 1 and Level 2 generating facilities. The Member shall, upon request, provide Shelby Energy Cooperative with proof of such insurance at the time that application is made for net metering.
- 13) By entering into an Interconnection Agreement, or by inspection, if any, or by non-rejection, or by approval, or in any other way, Shelby Energy Cooperative does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable codes or requirements, or as to any other characteristics, of the generating facility equipment, controls, and protective relays and equipment.
- 14) A Member's generating facility is transferable to other persons or service locations only after notification to the Shelby Energy Cooperative has been made and verification that the installation is in compliance with this tariff. Upon written notification that an approved generating facility is being transferred to another person, member, or location, Shelby Energy Cooperative will verify that the installation is in compliance with this tariff and provide written notification to the member(s) within 20 business days. If the installation is no longer in compliance with this tariff, Shelby Energy Cooperative will notify the Member in writing and list what must be done to place the facility in compliance.
- 15) The Member shall retain any and all Renewable Energy Credits (RECs) that may be generated by their generating facility.

DATE OF ISSUE April 6, 2009

DATE EFFECTIVE: April 8, 2009

ISSUED BY *Dennis Martin*

TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in SECTION 9 (1)

Case No. 2008-00169 Dated January 8, 2009

PUBLIC SERVICE COMMISSION
OF KENTUCKY

EFFECTIVE
4/8/2009
PURSUANT TO KAR 5:011

By *J. D. Brown*
Executive Director

For All Counties Served

P.S.C. 5

Original Sheet No.123

Shelby Energy Cooperative, Inc

EFFECTIVE TERM AND TERMINATION RIGHTS

This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) The Member may terminate this Agreement at any time by giving Shelby Energy Cooperative at least sixty (60) days' written notice; (b) Shelby Energy Cooperative may terminate upon failure by the Member to continue ongoing operation of the generating facility; (c) either party may terminate by giving the other party at least thirty (30) days prior written notice that the other party is in default of any of the terms and conditions of the Agreement or the Rules or any rate schedule, tariff, regulation, contract, or policy of Shelby Energy Cooperative, so long as the notice specifies the basis for termination and there is opportunity to cure the default; (d) Shelby Energy Cooperative may terminate by giving the Member at least thirty (30) days notice in the event that there is a material change in an applicable law, regulation or statute affecting this Agreement or which renders the system out of compliance with the new law or statute.

IN WITNESS WHEREOF, the Parties have executed this Agreement, effective as of the date first above written.

COOPERATIVE NAME

MEMBER

By: _____ By: _____

Printed Name _____ Printed Name _____

Title: _____ Title: _____

DATE OF ISSUE April 6, 2009

DATE EFFECTIVE: April 8, 2009

ISSUED BY *Debbie Martin*

TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2008-00169 Dated January 8, 2009

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
4/8/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By *J. D. Brown*
Executive Director

Exhibit A
(To be developed by each member system)

Exhibit A will contain additional detailed information about the Generating Facility such as a single line diagram, relay settings, and a description of operation.

When construction of Utility facilities is required, Exhibit A will also contain a description and associated cost.

Exhibit A will also specify requirements for a Utility inspection and witness test and when limited operation for testing or full operation may begin.

DATE OF ISSUE April 6, 2009

DATE EFFECTIVE April 8, 2009

ISSUED BY Dennis Martin

TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in

Case No. 2008-00169 Dated January 8, 2009

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
4/8/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By Jeff Brown
Executive Director

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

For All Counties Served
P.S.C. No. 1
Original Sheet No. 1

Touchstone Energy Home Program

Purpose

The Touchstone Energy Home Program ("Program") is a conservation program that encourages the sale of more energy-efficient homes. It is based on *Energy Star* standards for homes, a nationally recognized symbol of energy efficiency and quality developed and operated jointly by the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy (DOE).

Availability

This program is available in all service territory served by Shelby Energy Cooperative.

Eligibility

To qualify as a Touchstone Energy Home under this program, the participating home must be located in the service territory of Shelby Energy Cooperative and meet the *Energy Star* standards by including additional floor, wall and ceiling insulation, double pane windows and an electric heat pump.

Rebate

East Kentucky Power Cooperative, Inc. ("EKPC") and Shelby Energy Cooperative will provide an incentive to retail customers to build or purchase a Touchstone Energy home. Shelby Energy Cooperative may elect to offer a rebate of up to \$250 for each participant. EKPC will match the rebate offered by the member system cooperative up to a maximum of \$250, resulting in a maximum rebate of \$500 for each participant. Rebates will be paid to each participant upon written certification that the newly constructed home has met the *Energy Star* standards.

Annual Reports

Shelby Energy Cooperative, in coordination with East Kentucky Power Cooperative, Inc., will submit annual reports on the Program that contain the number of participants, the annual costs, including the costs of the rebates, and the status of the rebate provision. Shelby Energy, in coordination with EKPC, will file the first report by June 30, 2008, and annually thereafter if the Program is continued beyond 2009.

Term

The Touchstone Energy Home Program will remain in effect through 2009. If Shelby Energy Cooperative should decide to continue the entire program beyond 2009, an application for approval from the Kentucky Public Service Commission will be filed, in coordination with EKPC, 6 months prior to the date of continuation.

DATE OF ISSUE December 10, 2007 DATE EFFECTIVE: ~~Service rendered on and after September 18, 2007~~

ISSUED BY *Dubois Martin* TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. 2006-00547 Dated September 18, 2007

<p>PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE 9/18/2007 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)</p> <p>By <u><i>[Signature]</i></u> Executive Director</p>

Shelby Energy Cooperative, Inc.

COGENERATION AND SMALL POWER PRODUCTION
POWER PURCHASE RATE SCHEDULE OVER 100 kW

AVAILABILITY

Available only to qualified cogeneration or small power production facilities with a design capacity of over 100 kW which have executed a contract with Shelby Energy Cooperative, Inc. and East Kentucky Power Cooperative, Inc. ("EKPC") for the purchase of electric power by EKPC.

RATES

The rates set forth below shall be used as the basis for negotiating a final purchase rate with qualifying facilities pursuant to Section 7 of 807 KAR 5:054.

1. Capacity

- a. \$50.36 per kW per year is applicable if cogenerator or small power producer is dispatched by EKPC. (I)
- b. \$0.005851 per kWh is applicable if cogenerator or small power producer is not dispatched by EKPC. (R)

2. Energy – A base payment per kWh is listed below for a time-differentiated basis or a non-time differentiated basis for the specified years.

a. Time Differentiated Rates:

Year	Winter		Summer		
	On-Peak	Off-Peak	On-Peak	Off-Peak	
2009	\$0.06185	\$0.04866	\$0.05010	\$0.02755	(I)
2010	\$0.06360	\$0.04895	\$0.05801	\$0.03125	(I)
2011	\$0.06471	\$0.05037	\$0.06050	\$0.03358	(I)
2012	\$0.07310	\$0.05610	\$0.06526	\$0.03541	(I)
2013	\$0.06613	\$0.04911	\$0.07532	\$0.04113	(I)

b. Non-Time Differentiated Rates:

Year	2009	2010	2011	2012	2013	
Rate	\$0.04876	\$0.05186	\$0.05361	\$0.05916	\$0.05847	(I)

PUBLIC SERVICE COMMISSION
OF KENTUCKY

DATE OF ISSUE March 31, 2009 DATE EFFECTIVE June 1, 2009

ISSUED BY Dellie Martin TITLE President & CEO
By [Signature] Executive Director

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

Issued by authority of an Order of the Public Service Commission of Kentucky III
Case No. 2008-00128 Dated August 20, 2008

Shelby Energy Cooperative, Inc.

The on-peak and off-peak energy rates are applicable during the hours listed below for each season:

Winter (October - April)

On-Peak 7:00 a.m. - 12:00 noon
5:00 p.m. - 10:00 p.m.

Off-Peak 12:00 noon - 5:00 p.m.
10:00 p.m. - 7:00 a.m.

Summer (May - September)

On-Peak 10:00 a.m. - 10:00 p.m.

Off-Peak 10:00 p.m. - 10:00 a.m.

TERMS AND CONDITIONS

1. All power from a Qualifying Facility (QF) will be sold only to EKPC.
2. Seller must provide good quality electric power within a reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
3. Qualifying Facility (QF) shall provide reasonable protection for EKPC and Shelby Energy Cooperative, Inc.
4. Qualifying Facility (QF) shall design, construct, install, own, operate, and maintain the Qualifying Facility in accordance with all applicable codes, laws, regulations, and generally accepted utility practices.
5. Qualifying Facility shall reimburse EKPC and Shelby Energy Cooperative, Inc. for all costs incurred as a result of interconnecting with the QF, including operation, maintenance, administration, and billing.

DATE OF ISSUE March 31, 2009

DATE EFFECTIVE June 1, 2009

ISSUED BY

Debbie Martin
mjt

TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission

Case No. 2008-00128 Dated August 20, 2008

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE	
PURSUANT TO 807 KAR 5:011	
SECTION 9(1)	
By <i>[Signature]</i>	Executive Director

Shelby Energy Cooperative, Inc.

6. Qualifying Facility shall obtain insurance in the following minimum amounts for each occurrence:
 - a. Public Liability for Bodily Injury - \$1,000,000.00
 - b. Property Damage - \$500,000.00
7. Initial contract term shall be for a minimum of five years.
8. Qualifying Facilities proposing to supply as available (non-firm) electric power shall not be entitled to a capacity payment.
9. Qualifying cogeneration and small power production facilities must meet the definition set forth in 807 KAR 5:054 to be eligible for this tariff.
10. Updated rates will be filed with the Public Service Commission of Kentucky by March 31 of each year.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
6/1/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

DATE OF ISSUE March 31, 2009

DATE EFFECTIVE June 1, 2009

ISSUED BY

Robert Martin
ms

TITLE President & CEO

By *W. D. Brown*
Executive Director

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. 2008-00128 Dated August 20, 2008

Shelby Energy Cooperative, Inc.

COGENERATION AND SMALL POWER PRODUCTION
POWER PURCHASE RATE SCHEDULE
LESS THAN 100 kW

AVAILABILITY

Available only to qualified cogeneration or small power production facilities with a design capacity of less than 100 kW which have executed a contract with Shelby Energy Cooperative, Inc. and East Kentucky Power Cooperative, Inc. ("EKPC") for the purchase of electric power by EKPC.

RATES

1. Capacity

- a. \$50.36 per kW per year is applicable if cogenerator or small power producer is dispatched by EKPC. (I)
- b. \$0.005851 per kWh is applicable if cogenerator or small power producer is not dispatched by EKPC. (R)

2. Energy -- A base payment per kWh is listed below for a time-differentiated basis or a non-time differentiated basis for the specified years.

a. Time Differentiated Rates:

Year	Winter		Summer		
	On-Peak	Off-Peak	On-Peak	Off-Peak	
2009	\$0.06185	\$0.04866	\$0.05010	\$0.02755	(I)
2010	\$0.06360	\$0.04895	\$0.05801	\$0.03125	(I)
2011	\$0.06471	\$0.05037	\$0.06050	\$0.03358	(I)
2012	\$0.07310	\$0.05610	\$0.06526	\$0.03541	(I)
2013	\$0.06613	\$0.04911	\$0.07532	\$0.04113	(I)

b. Non-Time Differentiated Rates:

Year	2009	2010	2011	2009	2013	
Rate	\$0.04876	\$0.05186	\$0.0536	\$0.05916	\$0.05847	(I)

PUBLIC SERVICE COMMISSION
OF KENTUCKY

EFFECTIVE 8/1/2009

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

DATE OF ISSUE March 31, 2009 DATE EFFECTIVE 8/1/2009

ISSUED BY Debbie Martin TITLE President & CEO

Executive Director

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. 2008-00128 Dated August 20, 2008

For Area Served
P.S.C. No. 5
1st Revised Sheet No. 94
Canceling P.S.C. No.
Original Sheet No. 94

Shelby Energy Cooperative, Inc.

The on-peak and off-peak energy rates are applicable during the hours listed below for each season:

Winter (October - April)

On-Peak 7:00 a.m. - 12:00 noon
5:00 p.m. - 10:00 p.m.

Off-Peak 12:00 noon - 5:00 p.m.
10:00 p.m. - 7:00 a.m.

Summer (May - September)

On-Peak 10:00 a.m. - 10:00 p.m.

Off-Peak 10:00 p.m. - 10:00 a.m.

TERMS AND CONDITIONS

1. All power from a Qualifying Facility (QF) will be sold only to EKPC.
2. Seller must provide good quality electric power within a reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
3. Qualifying Facility (QF) shall provide reasonable protection for EKPC and Shelby Energy Cooperative, Inc.
4. Qualifying Facility (QF) shall design, construct, install, own, operate, and maintain the Qualifying Facility in accordance with all applicable codes, laws, regulations, and generally accepted utility practices.
5. Qualifying Facility shall reimburse EKPC and Shelby Energy Cooperative, Inc. for all costs incurred as a result of interconnecting with the QF, including operation, maintenance, administration, and billing.

DATE OF ISSUE March 31, 2009

DATE EFFECTIVE June 1, 2009 PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

ISSUED BY Debbie Martin TITLE President & CEO

Issued by authority of an Order of the Public Service Commission

Case No. 2008-00128 Dated August 20, 2008

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
6/1/2009

By [Signature] I
Executive Director

Shelby Energy Cooperative, Inc.

6. Qualifying Facility shall obtain insurance in the following minimum amounts for each occurrence:
 - a. Public Liability for Bodily Injury - \$1,000,000.00
 - b. Property Damage - \$500,000.00
7. Initial contract term shall be for a minimum of five years.
8. Qualifying Facilities proposing to supply as available (non-firm) electric power shall not be entitled to a capacity payment.
9. Qualifying cogeneration and small power production facilities must meet the definition set forth in 807 KAR 5:054 to be eligible for this tariff.
10. Updated rates will be filed with the Public Service Commission of Kentucky by March 31 of each year.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
6/1/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

DATE OF ISSUE March 31, 2009

DATE EFFECTIVE June 9, 2009

ISSUED BY Debbie Martin

TITLE President & CEO

By [Signature]
Executive Director

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. 2008-00128 Dated August 20, 2008

Shelby Energy Cooperative, Inc

Section DSM -- 3(a)

Direct Load Control Program -- Residential

Purpose

The Direct Load Control Program will encourage the reduction in growth of peak demand, enabling East Kentucky Power Cooperative ("EKPC") to utilize its system more efficiently, manage market purchases, and defer the construction of new generation.

Availability

This rate schedule is **not available** to Shelby Energy's members currently served under Rate 10 (Optional Residential, Church and School Service) as these members are currently receiving rate incentives for Shelby Energy's right to control these members' loads at some future date.

The Direct Load Control Program is available to residential customers in the service territory of Shelby Energy Cooperative and will include the control of water heaters, air conditioners and heat pumps, and pool pumps.

Availability may be denied where, in the judgment of Shelby Energy Cooperative installation of the load control equipment is impractical.

Eligibility

To qualify for this Program, the participant must be located in the service territory of Shelby Energy Cooperative and have:

- 40-gallon (minimum) electric water heating units, and/or
- Central air conditioning or heat pump units, and/or
- Pool pumps.

The above appliances may be electrically cycled or interrupted in accordance with the rules of this Tariff.

The participant may either own or rent the residence where the qualifying appliances are located. The residence may be either a single-family structure or a multi-family apartment facility.

The participant is responsible for obtaining the permission of the owner of the rented residence to participate in the load control program. Shelby Energy Cooperative may require that a rental property agreement be executed between Shelby Energy Cooperative and the owner of the rented residence.

DATE OF ISSUE June 30, 2009

DATE EFFECTIVE August 1, 2009
PURSUANT TO ORDER NO. 011
SECTION 9 (1)

ISSUED BY *Debbie Martin* TITLE Presi

e Officer

Issued by authority of an Order of the Public Service Commission of KY
Case No. _____ Dated _____

PUBLIC SERVICE COMMISSION OF KENTUCKY	
EFFECTIVE 8/1/2009	
PURSUANT TO ORDER NO. 011 SECTION 9 (1)	
BY <u><i>J. D. Beeson</i></u>	Executive Director

Shelby Energy Cooperative, Inc

Program Incentives

Shelby Energy Cooperative will provide an incentive to the participants in this program for the following appliances.

Water Heaters. Shelby Energy Cooperative will credit the residential power bill of the participant \$10.00 per water heater per year. The participant will receive this credit regardless of whether the water heater is actually controlled.

Air Conditioners and Heat Pumps. Shelby Energy Cooperative will provide an incentive to the participants in this program. The participant may select one of two alternatives. The participant will receive one of these incentives regardless of whether the air conditioner or heat pump is actually controlled during any program month.

Alternative One. Shelby Energy Cooperative will credit the residential power bill of the participant \$20.00 per air conditioner (\$5 per summer months, June, July, August, and September).

Alternative Two. EKPC, on behalf of Shelby Energy Cooperative, will provide and install at no cost one or more digital thermostats as needed for control purposes.

After the initial selection of one of the alternatives, the participant may change to the other alternative subject to the following conditions:

- From bill credits to digital thermostats -- The change in alternative will be permitted in any month except for the summer months of June through September. In addition, the participant will pay 50 percent of the installed cost of each digital thermostat.
- From digital thermostats to bill credits -- The change in alternative will be permitted in any month except for the summer months of June through September. In addition, the participant will either reimburse EKPC, through Shelby Energy Cooperative, an amount equal to 50 percent of the original installed cost of each digital thermostat that was initially installed if the participant keeps the thermostat or pay 50 percent of the cost to remove each digital thermostat that was initially installed.
- Only one change in incentive alternatives will be permitted during a 12 month period.

DATE OF ISSUE June 30, 2009

DATE EFFECTIVE August 9, 2009

ISSUED BY *Debbie Martin*

TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. _____ Dated _____

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By *H. D. Brown*
Executive Director

For All Counties Served
P.S.C. No. 5
First Revised Sheet No. 98
Canceling PSC. ____
Original Sheet No. 98

Shelby Energy Cooperative, Inc

Pool Pumps. Shelby Energy Cooperative will credit the residential power bill of the participant \$10.00 per pool pump per year. The participant will receive this credit regardless of whether the pool pump is actually controlled.

When the qualifying appliances are located in rental residences, program incentives will be paid to the participant, regardless of whether the participant owns or rents the residence where the qualifying appliances are located. Nothing contained in this Tariff will prohibit a further disposition of the program incentive between the participant and the owner of a rented residence.

Time Periods for Direct Load Control Program

Water Heaters. A load control switch will be placed on the water heater and may be electrically interrupted for a maximum time period of four hours.

EKPC will cycle the water heaters only during the hours listed below.

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October through April	6:00 a.m. to 12:00 noon 4:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

Air Conditioners and Heat Pumps. A load control device (switch or thermostat) will be placed on each central air conditioning unit or heat pump that will allow the operating characteristics of the unit to be modified to reduce demand on the system. Communication to the load control device will be accomplished via AMR, AMI, or paging equipment.

EKPC will control the air conditioning units and heat pumps only during its summer on-peak billing hours listed below.

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
May through September	10:00 a.m. to 10:00 p.m.

Pool Pumps. A load control switch will be placed on the pool pump and may be controlled for a four hour curtailment during on peak days May through September. In addition, there may be a 50 percent cycling for the ensuing 2 hour recovery period to prevent creating a new peak.

DATE OF ISSUE June 30, 2009

DATE EFFECTIVE: August 1, 2009
8/1/2009

ISSUED BY *Dellie Martin*

TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of K.
Case No. _____ Dated _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By *J. D. Brown*
Executive Director

Shelby Energy Cooperative, Inc

Terms and Conditions

1. Prior to the installation of load control devices, Shelby Energy Cooperative may inspect the participant's electrical equipment to insure good repair and working condition, but Shelby Energy Cooperative shall not be responsible for the repair or maintenance of the electrical equipment.
2. EKPC, on behalf of Shelby Energy Cooperative, will install, own, and maintain the load management devices controlling the participant's air conditioner, heat pump, or water heater. The participant must allow Shelby Energy Cooperative, or their representative, reasonable access to install, maintain, inspect, test and remove load control devices. Inability of Shelby Energy Cooperative to gain access to the load management device to perform any of the above activities for a period exceeding 30 days may, at Shelby Energy Cooperative's option, result in discontinuance of credits under this tariff until such time as Shelby Energy Cooperative is able to gain the required access.
3. Participants may join the program at any time during the year. Participants with water heaters and/or pool pumps will receive the first annual incentive within 12 months after the installation of the load control device. Participants with air conditioning or heat pump units who join during the months of June through September can select an incentive alternative as described in this Tariff. If the bill credit incentive is selected, bill credits will not begin until after the installation of the load control device and continue for the months remaining in the June to September time period for that year.
4. If a participant decides to withdraw from the program or change incentive alternatives, Shelby Energy Cooperative will endeavor to implement the change as soon as possible.
5. If a participant decides to withdraw from the program, the participant may not apply to rejoin the program for a period of 6 months. Returning participants for air conditioning and heat pump units will be required to initially select the bill credit alternative, but may change alternatives later as described in this Tariff.

DATE OF ISSUE June 30, 2009

ISSUED BY *Dellie Martin*

TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. _____ Dated _____

DATE OF ISSUE <u>August 10, 2009</u>	PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE 8/1/2009
ISSUED BY _____	TITLE <u>Executive Director</u>
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)	
By <u><i>J. D. Brown</i></u>	Executive Director

Shelby Energy Cooperative, Inc

Section DSM – 3(b)

Direct Load Control Program – Commercial

Purpose

The Direct Load Control Program will encourage the reduction in growth of peak demand, enabling East Kentucky Power Cooperative (“EKPC”) to utilize its system more efficiently, manage market purchases, and defer the construction of new generation.

Availability

This rate schedule is **not available** to Shelby Energy’s members currently served under Rate 13 (Optional Residential, Church and School Service) as these members are currently receiving rate incentives for Shelby Energy’s right to control these members’ loads at some future date.

The Direct Load Control Program is available to commercial customers in the service territory of Shelby Energy Cooperative and will include the control of air conditioners and water heaters.

Availability may be denied where, in the judgment of Shelby Energy Cooperative, installation of the load control equipment is impractical.

Eligibility

To qualify for this Program, the participant must be located in the service territory of a Shelby Energy Cooperative and have a central air conditioning unit and/or a 40-gallon (minimum) electric water heating unit. The appliance may be electrically cycled or interrupted in accordance with the rules of this Tariff.

The participant is responsible for obtaining the permission of the commercial property owner to participate in the load control program. Shelby Energy Cooperative may require that a rental property agreement be executed between Shelby Energy Cooperative and the owner of the rented commercial property.

Program Incentives

Shelby Energy Cooperative will provide an incentive to the participants in this program for the following appliances.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE 8/1/2009	
DATE OF ISSUE June 30, 2009	DATE EFFECTIVE August 1, 2009
ISSUED BY <i>Debbie Martin</i> TITLE Presi	SECTION 9 (1) <i>J. D. Brown</i> e Officer Executive Director
Issued by authority of an Order of the Public Service Commission of Ky	
Case No. _____ Dated _____	

Shelby Energy Cooperative, Inc

Air Conditioners. The incentive will be based on the tonnage of the air conditioning unit. Units up to and including five tons will receive a monthly credit of \$5.00 per unit. Units over five tons will receive an additional monthly credit of \$1.00 per ton per unit. Shelby Energy Cooperative will credit the commercial power bill of the participant the applicable incentive credit during the months of June through September. The participant will receive the incentive regardless of whether the air conditioner is actually controlled during any program month.

Water Heaters. Shelby Energy Cooperative will credit the commercial power bill of the participant \$10.00 per water heater per year. The participant will receive this credit regardless of whether the water heater is actually controlled.

Time Period for Direct Load Control Program

Air Conditioners. A load control device will be placed on each central air conditioning unit that will allow the operating characteristics of the unit to be modified to reduce demand on the system. Communication to the load control device will be accomplished via AMR, AMI, or paging equipment.

EKPC will control the air conditioning units only during its summer on-peak billing hours listed below:

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
May through September	10:00 a.m. to 10:00 p.m.

Water Heaters. A load control switch will be placed on the water heater and may be electrically interrupted for a maximum time period of four hours.

EKPC will cycle the water heaters only during the hours listed below.

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October through April	6:00 a.m. to 12:00 noon 4:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

DATE OF ISSUE June 30, 2009

DATE EFFECTIVE: August 1, 2009

ISSUED BY *D. Martin* TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. _____ Dated _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
8/1/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By *J. Brewer*
Executive Director

Shelby Energy Cooperative, Inc

Terms and Conditions

1. Prior to the installation of load control devices, Shelby Energy Cooperative may inspect the participant's electrical equipment to insure good repair and working condition, but Shelby Energy Cooperative shall not be responsible for the repair or maintenance of the electrical equipment.
2. EKPC, on behalf of Shelby Energy Cooperative, will install, own, and maintain the load management devices controlling the participant's air conditioner unit or water heater. The participant must allow Shelby Energy Cooperative, or their representative, reasonable access to install, maintain, inspect, test and remove load control devices. Inability of Shelby Energy Cooperative to gain access to the load management device to perform any of the above activities for a period exceeding 30 days may, at Shelby Energy Cooperative's option, result in discontinuance of credits under this tariff until such time as Shelby Energy Cooperative is able to gain the required access.
3. Participants may join the program at any time during the year. Participants with air conditioning who join during the months of June through September will receive bill credits beginning after the installation of the load control device and continuing for the months remaining in the June to September time period for that year. Participants with water heaters will receive the first annual incentive within 12 months after the installation of the load control device.
4. If a participant decides to withdraw from the program, Shelby Energy Cooperative will endeavor to implement the withdrawal as soon as possible. If a participant decides to withdraw from the program, the participant may not apply to rejoin the program for a period of 6 months.

DATE OF ISSUE June 30, 2009

DATE EFFECTIVE: August 1, 2009
PUBLIC SERVICE COMMISSION

ISSUED BY *Dellie Martin* TITLE President & Chief Executive Officer

8/1/2009

Issued by authority of an Order of the Public Service Commission of Kentucky in Pursuant to 807 KAR 5:011
Case No. _____ Dated _____ SECTION 9 (1)

By *J. D. Brown*
Executive Director

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. No. 5

Original Sheet No. 103

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

CLASSIFICATION OF SERVICE					
GENERAL SERVICE - RATE 11	Rate Per Unit				
<p><u>AVAILABILITY</u></p> <p>Available for commercial, small power and non-residential purposes for single phase and three phase loads below 50 kW, subject to the established Rules and Regulations.</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>Consumer Facility Charge:</p> <table style="width: 100%; border: none;"> <tr> <td style="padding-left: 40px;">Single Phase Service</td> <td style="text-align: right;">\$ 12.52</td> </tr> <tr> <td style="padding-left: 40px;">Three Phase Service</td> <td style="text-align: right;">\$ 32.56</td> </tr> </table> <p>Energy Charge per kWh: \$ 0.09308</p>		Single Phase Service	\$ 12.52	Three Phase Service	\$ 32.56
Single Phase Service	\$ 12.52				
Three Phase Service	\$ 32.56				
<p><u>MINIMUM MONTHLY CHARGE:</u></p> <p>The minimum monthly charge under this schedule shall be the consumer facility charge. Where it is necessary to extend or reinforce existing facilities, the minimum charge may be increased to assure adequate compensation for added facilities.</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 is not paid by the due date as shown on the bill, the gross rate shall apply.</p>					

DATE OF ISSUE December 31, 2009

DATE EFFECTIVE; February 1, 2010

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

Original Sheet No. 104

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

CLASSIFICATION OF SERVICE	
GENERAL SERVICE - RATE 11	Rate Per Unit
<p><u>FUEL ADJUSTMENT CLAUSE:</u></p> <p>This rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.</p> <p><u>SPECIAL RULES:</u></p> <p>Motors having a rated capacity in excess of ten horsepower (10HP) must be three-phase. Motors in excess of five horsepower (5HP) shall be provided with compensating starting equipment acceptable to the Seller.</p> <p><u>TEMPORARY SERVICE:</u></p> <p>Consumers requiring temporary service under this rate may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover the estimated consumption of electricity. Both fees will be paid in advance.</p>	(N)

DATE OF ISSUE December 31, 2009

DATE EFFECTIVE; February 1, 2010

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

Original Sheet No. 105

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

CLASSIFICATION OF SERVICE	
RESIDENTIAL SERVICE - RATE 12	Rate Per Unit
<p><u>AVAILABILITY</u></p> <p>Available for residential homes for loads below 50 kW, subject to the established Rules and Regulations</p> <p><u>TYPE OF SERVICE:</u></p> <p>Single phase service for residential dwellings.</p> <p><u>MONTHLY RATE:</u></p> <p>Consumer Facility Charge: \$ 9.75 Energy Charge per kWh: \$ 0.09308</p> <p><u>MINIMUM MONTHLY CHARGE:</u></p> <p>The minimum monthly charge under this schedule shall be the consumer facility charge. Where it is necessary to extend or reinforce existing facilities, the minimum charge may be increased to assure adequate compensation for added facilities.</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 is not paid by the due date as shown on the bill, the gross rate shall apply.</p>	(N)

DATE OF ISSUE December 31, 2009

DATE EFFECTIVE; February 1, 2010

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
Original Sheet No. 106

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

CLASSIFICATION OF SERVICE	
RESIDENTIAL SERVICE - RATE 12	Rate Per Unit
<p><u>FUEL ADJUSTMENT CLAUSE:</u></p> <p>This rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.</p> <p><u>SPECIAL RULES:</u></p> <p>Motors having a rated capacity in excess of ten horsepower (10HP) must be three-phase. Motors in excess of five horsepower (5HP) shall be provided with compensating starting equipment acceptable to the Seller.</p> <p><u>TEMPORARY SERVICE:</u></p> <p>Consumers requiring temporary service under this rate may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover the estimated consumption of electricity. Both fees will be paid in advance.</p>	(N)

DATE OF ISSUE December 31, 2009

DATE EFFECTIVE; February 1, 2010

ISSUED BY _____
Name of Officer

TITLE: President & CEO

Shelby Energy Cooperative, Inc.

ADOPTION NOTICE

The undersigned SHELBY ENERGY COOPERATIVE, INC.
(Name of Utility) System
620 Old Finchville Road
of Shelbyville, KY 40065 hereby adopts, ratifies, and makes its own, in
every respect as if the same had been originally filed and posted by it, all tariffs and
supplements containing rates, rules and regulations for furnishing _____
electricity service at certified territory
(Nature of Service)

in the Commonwealth of Kentucky, filed with the Public Service Commission of Kentucky
by SHELBY RURAL ELECTRIC COOPERATIVE CORPORATION
(Name of Predecessor)
620 Old Finchville Road
of Shelbyville, KY 40065, and in effect on the 4th day of _____
June, 1997, the date on which the public service business of the said
SHELBY RURAL ELECTRIC COOPERATIVE CORPORATION
(Name of Predecessor)

was taken over by it.

This notice is issued on the 11th day of June, 1997, in conformity
with 807 KAR 5:011, Section 11, of the Regulations for the filing of Tariffs of Public Utilities
with the Public Service Commission of Kentucky.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 04 1997

PURSUANT TO 807 KAR 5011.
SECTION 9(1)
BY: Stephan D Bell
SECRETARY OF THE COMMISSION

SHELBY ENERGY COOPERATIVE, INC.

By, Dudley Bottom, Jr.
Dudley Bottom, Jr.
President and General Manager

Authorized by K.P.S.C. Order No. _____

P.S.C. Ky No. 8

Cancels P.S.C. Ky No. 7

SHELBY ENERGY COOPERATIVE, INC.

of

SHELBYVILLE, KENTUCKY 40065

RATES, RULES AND REGULATIONS FOR FURNISHING

at

Counties of: Shelby, Henry, Trimble, Carroll, Owen, Franklin,
Oldham, Jefferson, Spencer, and Anderson

Filed with PUBLIC SERVICE COMMISSION OF KENTUCKY

Issued June 11, 1997 Effective June 4, 1997

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 04 1997

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

BY: *Stephan Bui*
SECRETARY OF THE COMMISSION

Issued By Shelby Energy Cooperative, Inc.
(Name of Utility)

By *Dudley Bottom, Jr.*
Dudley Bottom, Jr.

President and General Manager

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

FOR All Territory Served
P.S.C. No. 8
1st Revised SHEET NO. 1
CANCELLING P.S.C. NO. 8
Original SHEET NO. 1

RULES AND REGULATIONS

1. SCOPE

(T) This schedule of Rules and Regulations is hereby made a part of all contracts for electric service received from Shelby Energy Cooperative Inc., hereinafter referred to as the Cooperative, and applies to all service received, whether such service is based upon a contract, agreement, signed application, or otherwise. No employee or director of the Cooperative is permitted to make an exception to rates and rules. Regulations are on file at the Cooperative's office and can be obtained there from Cooperative personnel. All Rules and Regulations shall be in effect so long as they do not conflict with Public Service Commission Rules and Regulations.

2. REVISIONS

(T) These Rules and Regulations may be revised, amended, supplemented, or otherwise changed from time to time after approval by Shelby Energy Cooperative, Inc.'s Board of Directors and the Public Service Commission. Such changes, when effective, shall have the same force as the present Rules and Regulations.

3. SERVICE AREA

The Cooperative furnishes electric power supplied in portions of Shelby, Henry, Trimble, Carroll, Oldham, Franklin, Owen, Spencer, Anderson, and Jefferson Counties.

4. AVAILABILITY

Available to all members of the Cooperative as specified in the tariff sheets and classifications of service.

5. AVAILABILITY OF SERVICE TO DELINQUENT MEMBERS

If an application is received by a person residing with a delinquent member at the premises where power was supplied to the delinquent member, the application will be denied on the grounds that the applicant is applying as the agent of the delinquent member.

FFR 13 1998
PURSUANT TO
SECTION 9(1)
BY: Stephan Bull

DATE OF ISSUE: January 13, 1998 EFFECTIVE DATE: February 13, 1998
ISSUED BY: Dudley Batten, Jr. President & General Manager Shelbyville, KY 40065
Name of Officer Title Address

FOR All Territory Served
P.S.C. No. 8
Original SHEET NO. 2
CANCELLING P.S.C. NO. 7
SHEET NO. _____

Delby Energy Cooperative, Inc.
Delbyville, Kentucky

Name of Issuing Corporation

RULES AND REGULATIONS

6. EASEMENTS

Each member, together with his/her spouse and all other real estate title owners, shall grant or convey to the Cooperative, without cost, any permanent easements reasonably required by the Cooperative to provide electric service to that member for the installation, maintenance, and operation of the Cooperative's electrical distribution system, both existing and future, with right of ingress and egress for these purposes over the Member's property, provided such electrical distribution system is located on real estate owned, rented, or otherwise controlled by the member. The failure or refusal to convey such easements shall constitute grounds for discontinuing service.

7. RIGHT OF ACCESS

Each member shall, at the time of application provide the Cooperative with permits or shall sign right-of-way easements furnished by said Cooperative. The Cooperative shall at all reasonable hours have access to meters, service connections, and other property owned by it and located on the consumer's premises for purposes of placing, locating, building, constructing, operating, replacing, rebuilding, relocating, repairing, improving, enlarging, extending, and maintaining on, over, or under such lands and premises, or removing therefrom its electrical distribution system, new or existing lines, wires, poles, anchors, and other necessary parts.

Any employee or agent of the Cooperative whose duties require him/her to enter the consumer's premises shall wear a distinguishing uniform or insignia, identifying him/her as an employee of the Cooperative, or carry on his/her person a badge or other identification which will identify them as an employee or agent of the Cooperative, the same to be shown upon request.

8. NO PREJUDICE OF RIGHTS

Failure by the Cooperative to enforce any of the terms of these Rules and Regulations shall not be deemed as a waiver of the right to do so.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 04 1997

DATE OF ISSUE: June 11, 1997 EFFECTIVE DATE: PURSUANT TO 807 KAR 6.011, SECTION 9(1) June 4, 1997
ISSUED BY: Daddy Britton Jr. President & General Manager BY: Stephan B. [Signature]
Name of Officer Title Address

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

FOR All Territory Served
P.S.C. No. 9
1st Revised SHEET NO. 3
CANCELLING P.S.C. NO. 8
Original SHEET NO. 3

RULES AND REGULATIONS

9. APPLICATION OF ELECTRIC SERVICE

Each prospective member and/or spouse desiring electric service will be required to sign the Cooperative's form of "Application for Membership and Electric Service". Also, where applicable, the prospective consumer must sign a contract pertaining to their particular service. The prospective consumer must provide the Cooperative with all necessary electrical permits and fully executed right-of-way easements for his/her property, and all necessary load information at the time of application for service. The consumer may be required to furnish his/her Social Security number, phone number, permanent address, place of employment, and name of spouse.

10. (T) MEMBERSHIP

- (T) No member may hold more than one membership in the Cooperative. Discontinuance of service
- (T) will automatically terminate membership. Membership is not transferable from one member to
- (T) another.

11. CONTINUITY OF SERVICE

The Cooperative shall use reasonable diligence to provide a constant and uninterrupted supply of electrical power and energy, but if such a supply should fail or be interrupted or become defective through an act of God, or the public enemy, or by accident, strikes or labor troubles, or by action of the elements, or other permits needed, or for any other cause beyond the reasonable control of the Cooperative, the Cooperative shall not be liable.

12. NON-STANDARD SERVICE

The member or consumer shall pay the cost of any special installation necessary to meet his/her requirements for service at other than standard voltage, or for the supply of closer voltage regulation than required by standard practices.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

OCT 23 1997

DATE OF ISSUE: September 23, 1997
ISSUED BY: Dudley Botton, Jr.
Name of Officer

EFFECTIVE DATE October 23, 1997
Pursuant to 807 KAR 5.011, SECTION 9 (1)
President & General Manager Shelbyville, KY 40065
Title SECRETARY OF THE COMMISSION Address

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 04 1997

FOR All Territory Served

P.S.C. No. 8

Original SHEET NO. 4

CANCELLING P.S.C. NO. 7

SHEET NO. _____

PURSUANT TO 807 KAR 5:011,
SECTION 9(1)
RULES AND REGULATIONS

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

13. BILLING

The Cooperative's billing period and billing procedures are as specified in the applicable rate schedule/tariff for electric service. Failure to receive the bill will not release the consumer from payment obligation.

14. DEPOSITS

The Cooperative may require a minimum cash deposit or other guaranty to secure payment of bills except for consumers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection. Service may be refused or discontinued for failure to pay the requested deposit. Interest, as prescribed by KRS 278.460, will be paid annually either by refund or credit to the consumer's bill, except that no refund or credit will be made if the consumer's bill is delinquent on the anniversary date of the deposit.

The deposit may be waived upon a consumer's showing of satisfactory credit or payment history, and required deposits will be returned after one (1) year if the consumer has established a satisfactory payment record for that period. If a deposit has been waived or returned and the consumer fails to maintain a satisfactory payment record, a deposit may then be required. The Cooperative may require a deposit in addition to the initial deposit if the consumer's classification of service changes or if there is a substantial change in usage. Upon termination of service, the deposit, any principal amounts, and any interest earned and owing will be credited to the final bill with any remainder refunded to the consumer.

Residential/Commercial consumer's deposit shall be based upon actual usage of the consumer at the same or similar premises for the most recent 12-month period, if such information is available. If usage information is not available, the deposit will be based on the average bills of similar consumers and premises in the system. The deposit amount shall not exceed 2/12 of the consumer's actual or estimated annual bill where bills are rendered monthly.

In determining whether a deposit will be required or waived, the following criteria will be considered:

DATE OF ISSUE: June 11, 1997

EFFECTIVE DATE: June 4, 1997

ISSUED BY: Dwight Patton, Jr.
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

FOR All Territory Served
P.S.C. No. 9
1st Revised SHEET NO. 5
CANCELLING P.S.C. NO. 8
Original SHEET NO. 5

RULES AND REGULATIONS

14. DEPOSITS (continued)

1. Previous payment history with the Cooperative. If the consumer has no previous history with the Cooperative, statements from other utilities, banks, etc. may be presented by the consumer as evidence of good credit.
2. Whether the consumer has an established income or line of credit.
3. Length of time the consumer has resided or been located in the area.
4. Whether the consumer owns property in the area.
5. Whether the consumer has filed bankruptcy proceedings within the last seven years.
6. Whether another consumer with a good payment history is willing to sign as a guarantor for an amount equal to the required deposit.
- (T) 7. Whether the member has a satisfactory credit record and rating as reported by credit bureaus/agencies.
- (T) 8. Whether the member has been found to have previously diverted or tampered with service.

If a deposit is held longer than 18 months, the deposit will be recalculated at the consumer's request based on the consumer's actual usage. If the deposit on account differs from the recalculated amount by more than \$10.00 for a residential consumer or 10% for a non-residential consumer, the Cooperative may collect any underpayment and shall refund any overpayment by check or credit to the consumer's bill. No refund will be made if the consumer's bill is delinquent at the time of the recalculation.

15. LEVELIZED (BUDGET) BILLING

Levelized/Budget Billing is available to all residential customers. The Levelized Payment Plan for each account is determined by:

1. A. For consumers on service with twelve (12) month's usage history, the charges for the past twelve (12) month's usage will be totaled.

For consumers with less than twelve (12) month's usage history, the available monthly charges for usage plus monthly charges from previous usage history to equal twelve (12) consecutive month's usage will be totaled. If no previous usage history is available, the remaining month's charges will be estimated by the Cooperative based on the electric needs of the service location.

DATE OF ISSUE: September 26, 2001

EFFECTIVE DATE: October 26, 2001

ISSUED BY: Dusty Patton Jr.

Name of Officer

President and CEO

Title

October 26, 2001
Shelbyville, KY 40095
PURSUANT TO KRS 501.1-001
SECTION 9 (1)
BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 04 1997

RULES AND REGULATIONS
PURSUANT TO 807 KAR 5.011.
SECTION 9(1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

FOR All Territory Served
P.S.C. No. 8
Original SHEET NO. 6
CANCELLING P.S.C. NO. 7
SHEET NO. _____

15. LEVELIZED (BUDGET) BILLING

1. A. For new consumers connecting to an established service location, charges for twelve (12) consecutive month's usage from previous usage history will be totaled. If no previous usage history is available, the charges will be estimated by the Cooperative based on the electric energy needs of the service location.

For consumers connecting to a new service location, the charges will be estimated by the Cooperative based on the electric energy needs of the service location.
- B. Dividing this total by twelve (12). This amount will then be the monthly payment for the account. Accounts with estimated payments will be monitored monthly and adjusted if usage indicates that the account will not be current upon payment of last budget amount.
- C. Each month the twelfth (12th) month of charges is dropped and the current month of charges added, keeping a twelve (12) month current average, thereby never having a catch-up month. Estimated accounts will be monitored monthly and adjusted if usage indicates that the account will not be current upon payment of last budget amount.
2. Each monthly bill will reflect the actual amount of electricity used and the status of the member's account, including the current amount to be paid.
3. Consumer agrees to make monthly payments when due or the agreement will be voided and the total balance, if any, will be due and payable.
4. The agreement remains in effect until canceled by the consumer or the Cooperative or by the member's failure to make payments as outlined above.

16. PARTIAL PAYMENT PLAN

Consumers who are unable to pay their bills may come to the office during regular office hours and make arrangements for a partial payment plan and retention of service. The consumer must

DATE OF ISSUE: June 11, 1997
ISSUED BY: Dudley Bolton Jr.
Name of Officer

EFFECTIVE DATE: June 4, 1997
President & General Manager
Title

Shelbyville, KY 40065
Address

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

FOR All Territory Served
P.S.C. No. 8
Original SHEET NO. 7
CANCELLING P.S.C. NO. 7
SHEET NO. _____

Name of Issuing Corporation

JUN 04 1997

RULES AND REGULATIONS
PURSUANT TO 807 KAR 5.011
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

16. PARTIAL PAYMENT PLAN (continued)

appear in person within the ten (10) day notice period to negotiate the partial payment plan to avoid collection of the bill or disconnection of the service.

The Cooperative shall negotiate and accept reasonable partial payment plans. The partial payment plan shall be mutually agreed upon and permit the consumer to become current in payment of the account within a timely manner. Should the partial payment plan extend for a period of longer than 30 days, the plan must be in writing and signed by the consumer. In addition to the payment of the current bill, the consumer may be offered an option of payment arrears by one (1) payment per month or more than one (1) payment per month. The consumer will be allowed to make additional payments or larger payments, at any time, in order to become current. The Cooperative will not negotiate a partial payment plan with a consumer who is delinquent under a previous partial payment plan.

17. CERTIFICATE OF NEED FROM DEPARTMENT FOR SOCIAL INSURANCE

Upon written certification from one of the Kentucky Department for Social Insurance offices, a consumer who is eligible for energy assistance under the Department's guidelines or is certified as being in genuine financial need, defined as any household with gross income at or below 130% of the poverty level, and who has been given a ten (10) day notice for nonpayment of his/her electric bill rendered between November 1 and March 31 and who presents such notice to the Department for Social Insurance, shall be allowed thirty (30) days in addition to such ten (10) day notice period in which to negotiate a partial payment plan with Shelby Energy provided such certification is delivered to Shelby Energy during the initial ten (10) day notice period by the applicant in person, by his/her agent, by mail, or by telephone call from an employee of the Department of Social Insurance. The thirty (30) day period shall begin to run at the end of the tenth day of the ten (10) day period.

When the consumer exhibits good faith by offering to make a present payment commensurate with his or her ability to do so and by agreeing to a repayment schedule which would permit the consumer to become current in the payment of his or her electric bill in a timely manner but no later than October 15, Shelby Energy will accept such partial payment plan. Shelby Energy

DATE OF ISSUE: June 11, 1997

EFFECTIVE DATE: June 4, 1997

ISSUED BY: Dudley Patton Jr.
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 04 1997

PURSUANT TO 807 KAR 5:011,
SECTION 9(1)

RULES AND REGULATIONS
SECRETARY OF THE COMMISSION

FOR All Territory Served

P.S.C. No. 8

Original SHEET NO. 8

CANCELLING P.S.C. NO. 7

SHEET NO. _____

17. CERTIFICATE OF NEED FROM DEPARTMENT FOR SOCIAL INSURANCE (continued)

will also inform the consumer on the reverse side of the (10) day notice of the telephone number and address of the nearest office of the Kentucky Cabinet for Human Resources, Department of Social Insurance.

18. LOCATION OF METERS

Meters shall be easily accessible for reading, testing, and making necessary adjustments and repairs and shall be located at a site designated by Shelby Energy.

19. MONITORING OF CONSUMER USAGE

If a customer is discovered to have an unusual deviation in his/her monthly usage, the Cooperative will contact that customer to investigate that unusual deviation and offer energy auditing services to assist in determining the source of the deviation.

The Cooperative utilizes computer programs to flag unusual deviations in a consumer's usage on consumer accounts. KWH readings are also compared to the previous month's reading to assure that the new reading is at least greater than the previous reading. Any extremely large variations are also marked at this time.

The computer programs used to monitor unusual deviations are:

A. Data Entry Exception History: Immediately upon completion of data entry of new kWh readings, an exception listing appears which flags any readings that do not conform to previously set standards. Those standards are:

1. Attempt to enter a five digit reading to an account where only a four dial meter is installed.
2. A reading which would generate a bill for over 5,000 kWh for all accounts.
3. A reading which is lower than the previous month's reading.

DATE OF ISSUE: June 11, 1997

EFFECTIVE DATE: June 4, 1997

ISSUED BY: *Dwight Bottom*
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

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

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

FOR All Territory Served
P.S.C. No. 8
Original SHEET NO. 9
CANCELLING P.S.C. NO. 7
SHEET NO. _____

JUN 04 1997

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)
BY Stations Bill
SECRETARY OF THE COMMISSION

19. MONITORING OF CONSUMER USAGE (continued)

B. High-Low Exception Report: Before the monthly bill calculations, a high-low exception report is run which flags any readings which would generate a bill for usage 50% higher or 50% lower than the average of the three preceding months or the corresponding month one year ago.

If an unusual deviation cannot be readily determined, such as a keypunch error, the source document is checked to determine cause for exception listing.

If the cause for unusual deviation cannot be identified from available documents, a meter reader is dispatched to obtain a new reading. This reading is then compared to the reading previously entered to determine variance.

20. RECONNECTION CHARGE

When service has been disconnected for other than non-payment of a delinquent bill and the Cooperative is requested to reconnect at the same location, a ~~fifty dollar (\$50.00)~~ reconnect fee will be charged if reconnected outside regular working hours. Sixty-five (\$65.00) (I)

21. COLLECTION OF DELINQUENT ACCOUNTS

Should it become necessary for the Cooperative to send a representative to the consumer's premises for collection of a delinquent account there may be a service call charge of ~~twenty-five~~ thirty dollars ~~(\$25.00)~~ assessed if service is terminated, the bill is paid in the course of the trip, or payment arrangements are made. The charge can only be made once in a billing period. The charge will be due and payable at the time such delinquent account is collected. (I)

In the event a member is disconnected for non-payment of a delinquent account and requests reconnection during regular working hours, a ~~fifty dollar (\$50.00)~~ service call charge shall be collected. After regular working hours, the service call charge will be ~~seventy-five dollars (\$75.00)~~ sixty-five (\$65.00) (I)

DATE OF ISSUE: June 11, 1997
ISSUED BY: Dudley Bottom Jr.
Name of Officer

EFFECTIVE DATE: June 4, 1997
President & General Manager
Title

Shelbyville, KY 40065
Address

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

FOR All Territory Served
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Name of Issuing Corporation

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RULES AND REGULATIONS
PURSUANT TO KRS 507.011,
SECTION 9 (1)

BY: Stephan B. Bell
SECRETARY OF THE COMMISSION

22. CHECKS RETURNED - UNHONORED BY BANK

When a check received in payment of a consumer's account is returned unpaid by the bank for any reason, the Cooperative will notify such consumer by letter, stating the amount of the check and reason for its return. Returned checks will then be considered the same as a delinquent account, and if payment in full is not received for the check within ten (10) business days after notification, service may be discontinued as prescribed under the section of Rules #16, #17, #21, and #25 dealing with unpaid accounts. A ~~\$10.00~~ service charge shall be added to all returned unhonored checks. The Cooperative shall have the right to refuse to accept checks in payment of an account from any consumer that has demonstrated poor credit risk. (I) \$5.00

23. TAMPERING

If meters or other property belonging to the Cooperative are tampered or interfered with, the consumer being supplied through such equipment shall pay the amount which the Cooperative may estimate is due for service rendered, but not registered on the Cooperative's meter and for such replacement and repairs as are necessary, as well as for costs of inspection, investigation, and protective installations.

24. NOTICE OF TROUBLE

The consumer shall give immediate notice at the office of the Cooperative of any interruption or irregularities or unsatisfactory service and of any defects known to the consumer.

The Cooperative may, as it deems necessary, suspend supply of electrical energy to any consumer or consumers for the purpose of making repairs, changes or improvements upon any part of its system.

25. DISCONTINUANCE AND REFUSAL OR TERMINATION OF SERVICE

Any member desiring service discontinued or changed from one address to another shall give the Cooperative three (3) days' notice, in person, writing, or telephone, provided such notice does not violate contractual obligations or tariff provisions. The consumer shall not be responsible for charges for service beyond the three (3) day notice period if the consumer provides reasonable

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ISSUED BY: Darrell Bottom Jr.
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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RULES AND REGULATIONS
PURSUANT TO 207 KAR 8.011,
SECTION 9(1)

BY: Stephen O. Bell

25. DISCONTINUANCE AND REFUSAL OF SERVICE (continued)

access to the meter during the notice period. If the consumer notifies the utility of their request for termination by telephone, the burden of proof is on the consumer to prove that service termination was requested if a dispute arises.

The Cooperative may refuse or discontinue to serve an applicant or consumer under the following conditions:

- A. For noncompliance with its Rules and Regulations. However, the Cooperative shall not discontinue or refuse service to any consumer or applicant for violation of its Rules and Regulations without first having made reasonable effort to induce the consumer or applicant to comply with the Rules and Regulations as filed with the Public Service Commission. After such effort on the part of the Cooperative, service may be disconnected or refused only after the member shall have been given at least ten (10) days written notice of such intention, mailed to his/her last known address.
- B. When a dangerous condition is found to exist on the member's or applicant's premises, the service shall be discontinued without notice or refused, provided that the Cooperative notify the consumer or applicant immediately of the reasons for the discontinuance or refusal and the corrective action to be taken by them before service can be installed or restored.
- C. When a consumer or applicant refuses or neglects to provide reasonable access to the premises for the purposes of installation, operation, meter reading, maintenance, or removal of the Cooperative's property, employees or agents of the Cooperative may discontinue or refuse service only after the consumer or applicant shall have been given at least fifteen (15) days written notice of such intention.
- D. The Cooperative may not furnish service to any applicant when such applicant is indebted to the Cooperative for service furnished until such applicant shall have paid such indebtedness or negotiated a satisfactory agreement.

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Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

FOR All Territory Served
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Original SHEET NO. 12

RULES AND REGULATIONS

25. DISCONTINUANCE AND REFUSAL OR TERMINATION OF SERVICE (continued)

- E. The Cooperative may refuse or discontinue service to a member or applicant if the consumer or applicant does not comply with state, county, or other codes, rules, and regulations applying to such service.
- F. THE COOPERATIVE MAY DISCONTINUE SERVICE UNDER THE FOLLOWING CONDITIONS:

For non-payment of bills. However, the Cooperative shall not discontinue service to any member for non-payment of bills (including extra charges) without first having made reasonable effort to induce the member to pay same. The consumer shall be given at least ten (10) days written notice, but the disconnect shall not be effective for twenty-seven (27) days after the mailing date of the original bill. Such termination notice shall be exclusive of and separate from the original bill. If, prior to discontinuance of service, there is delivered to the Cooperative office or to its employees empowered to discontinue service, payment of the amount in arrears, the discontinuance of service shall not be made, or where a written certificate is filed signed by a physician, a registered nurse, or a public health officer, stating that in the opinion of the person making the certification, discontinuance of service will aggravate an existing illness or infirmity on the affected premises, service shall not be discontinued until the affected resident can make other living arrangements or until thirty (30) days elapse from the time of the Cooperative's notification to the member in writing of the existence of local, state, and federal programs providing for the payment of the Cooperative bills under certain conditions and of the offices to contact for such possible assistance. The written notice for any discontinuance of service shall advise the consumer of his/her rights to ~~dispute service~~ ^{dispute service} for such discontinuance.

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26. INSPECTIONS

- (T) Shelby Energy Cooperative, Inc. shall not initiate new permanent electric service until the required certificate of approval has been issued by a certified electrical inspector, as required by local or state laws.

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BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

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ISSUED BY: Dwight B. Batten, Jr.
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

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PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

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SECRETARY OF THE COMMISSION

27. TEMPORARY SERVICE

A member or consumer requesting temporary service may be required to pay all cost of construction, removing, connecting, and disconnecting service. Construction contractors, camps, campsites, barns, barnsites, sawmills, oil wells, carnivals, fairs, camp meetings, etc., after making application for service, will be provided service after they pay an advance fee equal to the reasonable cost of constructing and removing such facilities along with a deposit for estimated kWh usage.

Upon termination of temporary service, the payment paid on estimated usage will be adjusted to actual usage and either a refund or additional billing will be issued to such temporary member or consumer.

Temporary service used for such construction may only be utilized for a period not to exceed twelve (12) months after which time the service will be disconnected unless a written extension of time is obtained from the Cooperative.

28. CONSUMER'S LIABILITY

The consumer shall assume full responsibility for service upon his/her premises at and from the point of delivery thereof, and for wires, apparatus, devices, and appurtenances thereon used in connection with service. Consumer shall indemnify, hold harmless and defend the Cooperative against all claims, demands, cost or expense for loss, damage, or injury to persons or property in any manner directly or indirectly arising from, connected with, or growing out of the transmission or use of electricity by consumer at or on the consumer's side of point of delivery.

29. PROTECTION OF THE COOPERATIVE EQUIPMENT

The consumer shall protect the equipment of the Cooperative on his/her premises and shall not interfere with or alter or permit interference with or alteration of the Cooperative's meter or other property except by duly authorized representatives of the Cooperative.

For any loss or damage to the property of the Cooperative due to or caused by or arising from carelessness, neglect, vandalism, or misuses by the consumer or other unauthorized persons, the

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Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

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BY: Stephen D. Bell
SECRETARY OF THE COMMISSION

29. PROTECTION OF THE COOPERATIVE EQUIPMENT (continued)

cost of the necessary replacement and repairs shall be paid for by the consumer. After proper negotiations with the Cooperative and if unable to reach an agreement, a court of law having jurisdiction over the parties shall determine the cost.

30. POINT OF DELIVERY

1. A. Approval shall be obtained from the Cooperative as to the proper location for a service entrance.
- B. Service entrances will be located on the exterior of the building nearest to the Cooperative's lines. For members desiring service entrances on any building at a location other than that closest to the Cooperative's lines, the additional estimated cost of such special construction as may be found necessary shall be borne by the member, and such cost shall be paid in advance before service can be connected.
- C. Service entrances, both overhead and underground, shall be installed in accordance with applicable codes, and the Cooperative shall not connect until the required certificate of compliance has been issued by the required certified electrical inspector. In event of an emergency, a temporary waiver may be issued by the Cooperative to allow connection pending completion of electrical inspection.
2. Point of service (or delivery) shall be that point where the facilities of the Cooperative join the member's facilities, irrespective of the location of the meter, and will normally be at the weatherhead on overhead lines and at the meter base on underground service. All wiring and equipment beyond this point of service shall be supplied and maintained by the member. The member will, however, notify the Cooperative of any proposed changes in his equipment or wiring which will materially increase or decrease his load so the Cooperative may check its equipment to make certain it will accommodate the member's load requirements.

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ISSUED BY: Daddy Bottom Jr.
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

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PURSUANT TO 807 KAR 5:011.
SECTION 9 (1)

BY: Stephen D. Bell

RULES AND REGULATIONS OF THE COMMISSION

31. RESALE OF POWER BY MEMBERS

All purchased electric service used on the premises of the member shall be supplied exclusively by the Cooperative, and the member shall not directly or indirectly sell, sublet, or otherwise dispose of the electric service or any part thereof, except by written contract approved by the Board of Directors of this Cooperative.

32. METER BASES

Meter bases are provided by the Cooperative for all normal new services and all normal service upratings. Special designs or unusual situations may require a contribution from the member.

33. METER READING

The Cooperative will provide meter reading services to all consumer accounts in accordance with the rates and tariffs filed with the Public Service Commission.

34. SEPARATE METER FOR EACH SERVICE

The Cooperative will normally furnish a single meter at the point of connection to the consumer's premises. Any consumer desiring service at two or more separately metered locations of connection to the system shall be billed separately at each point and the registration of such meters shall not be added for billing purposes, except by written contract approved by the Board of Directors of the Cooperative. Only one residence may be served for each meter location.

35. FRAUDULENT USE

When the Cooperative has discovered evidence that by fraudulent or illegal means, a consumer has obtained unauthorized service or has diverted the service for unauthorized use or has obtained same without being properly measured, the service to the consumer may be disconnected immediately and without notice. Within 24 hours after such termination, the utility shall send written notification to the consumer of the reasons for termination or refusal of service and of the consumer's right to challenge the termination by filing a complaint with the Public

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Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

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SECTION 9 (1)

BY: Stephen B. Bell
SECRETARY OF THE COMMISSION

35. FRAUDULENT USE (continued)

Service Commission. The Cooperative shall not be required to restore service until the Cooperative has been reimbursed for the estimated amount of service rendered and the cost incurred by fraudulent use.

It shall be the duty of the Cooperative before making service connections to a new consumer to ascertain the condition of the meter and service facilities for such consumer in order that prior fraudulent use of the facilities, if any, will not be attributed to the new consumer, and the new consumer shall be afforded the opportunity to be present at such inspection. The Cooperative shall not be required to render service to such consumer until all defects in the consumer-owned portion of the service, if any, have been corrected.

36. METER POLE

The Cooperative may, upon request, serve a meter pole to be wired by the consumer. The electrical load should be sufficient to justify at least a 200 ampere service. A means of disconnect satisfying National Electric Code requirements shall be installed on the load side of the meter base. The meter pole and all equipment on said pole, exclusive of the meter shall be installed and owned by the consumer. The pole location shall be determined by the Cooperative and the service must comply with the applicable codes and be inspected as required by state and local laws.

37. RELOCATION OF LINES

When the Cooperative is requested or required to relocate its facilities for any reason, any expense involved will be paid by the firm, person, or persons requesting the relocation, unless one or more of the following conditions are met:

- A. The relocation is made for the convenience of the Cooperative.
- B. The relocation will result in a substantial improvement in the Cooperative's facilities.

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Name of Officer

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President & General Manager
Title

Shelbyville, KY 40065
Address

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Shelbyville, Kentucky

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PURSUANT TO 807 KAR 5.011,
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BY: Stephen O. Boyd
SECRETARY OF THE COMMISSION

37. RELOCATION OF LINES (continued)

C. That the relocation is associated with other regularly scheduled conversion or construction work and can be done at the same time.

38. A. NORMAL SERVICE EXTENSIONS

An extension to a permanent residence of one thousand (1,000) feet or less shall be made by Shelby Energy to its existing distribution line without charge for a prospective member who shall apply for and agree to use the service for one year or more and provides guarantee for such service. The "service drop" to the structure from the distribution line at the last pole shall not be included in the foregoing measurements. This distribution line extension shall be limited to service where installed transformer capacity does not exceed 25 KVA. Any extensions to a consumer who may require polyphase service or whose installed transformer capacity will exceed 25 KVA will be required to pay in advance additional cost of construction which exceeds that for a single phase line where the installed transformer capacity does not exceed 25 KVA.

38. B. OTHER EXTENSIONS

1. When an extension of Shelby Energy's line to service a member or a group of members amounts to more than 1,000 feet per member, the total cost of the excessive footage over 1,000 feet per member shall be deposited by the applicant or applicants based on the estimated cost of the total extension.
2. Each member receiving service under such extension will be reimbursed under the following plan:

Each year for a period of ten (10) years, which for the purpose of this rule shall be the refund period, the Cooperative shall refund to the member or members who paid for the excess footage the cost of 1,000 feet of the extension in place for each additional member connected during the year whose service line is directly connected to the extension installed and not to extensions or laterals therefrom, but in no case shall the total

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Name of Officer

EFFECTIVE DATE: June 4, 1997
President & General Manager
Title

Shelbyville, KY 40065
Address

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

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2nd Revised SHEET NO. 18
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1st Revised SHEET NO. 18

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38. B. OTHER EXTENSIONS (continued)

- 2. amount refunded exceed the amount paid the Cooperative. After the end of the refund period, no refund will be required to be made. For additional consumers connected to an extension or lateral from the distribution line, the Cooperative shall refund to any consumer who paid for excessive footage the cost of 1,000 feet of line less the length of the lateral or extension.
- 3. An applicant desiring an extension to a proposed real estate subdivision may be required to pay the entire cost of the extension. Each year for a period of ten (10) years, the Cooperative shall refund to the applicant who paid for the extension, a sum equivalent to the cost of 1,000 feet of the extension installed for each additional member connected during the year; but in no case shall the total amount refunded exceed the amount paid to the Cooperative. After the end of the refund period from the completion of the extension, no refund will be required to be made.
- 4. The member may elect to clear the right-of way to reduce his cost of connection.

39. LINE EXTENSION TO MOBILE HOMES

- A. All extensions up to 300 feet from the nearest facility shall be made without charge.
- B. All required fee charges and advances shall be paid before construction begins, and mobile home must be set in place before service can be extended.
- (T) C. The consumer shall install and own the meter pole and it shall meet the requirements of the applicable codes and shall be located at a site designated by Shelby Energy.

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PURSUANT TO 807 KAR 5011:
SECTION 9(1)
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SECRETARY OF THE COMMISSION

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RULES AND REGULATIONS

39. LINE EXTENSION TO MOBILE HOMES (continued)

D. For extensions greater than 300 feet and less than 1,000 feet from the nearest facility, the Cooperative will charge a Consumer Advance For Construction (CAFC) based on the cost of construction for the portion of service beyond 300 feet, up to 1,000 feet.

(T)

1. The CAFC shall be refunded to the consumer over a four year period in equal amounts for each year the service is continued, and the start of the period refund begins with the initial billing date.

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2. If the service is disconnected for a period of sixty (60) days or should the mobile home be removed and another not take its place or be replaced by a permanent structure, the remainder of the CAFC shall be forfeited.

IN ACCORDANCE WITH
PURSUANT TO 807 KAR 5:911,
SECTION 9 (1)
BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

No refunds shall be made to any consumer who did not make the CAFC originally.

4. The member may elect to clear the right-of-way to reduce his cost of connection.

E. For extensions greater than 1,000 feet the provisions, as stated in Part D, apply to the first 1,000 feet. For that portion of the line over 1,000 feet, the utility will charge the consumer the cost of construction for that portion of service beyond 1,000 feet. The deposit for that portion over 1,000 feet is subject to refund as follows:

1. Each year for a period of ten (10) years, which shall be the refund period, for that portion over 1,000 feet the provisions of (38B) will apply.

F. Mobile home meter poles shall be wired and inspected according to the applicable codes and shall be wired and inspected at the expense of the consumer.

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Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

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Shelbyville, Kentucky

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RULES AND REGULATIONS

39. LINE EXTENSION TO MOBILE HOMES (continued)

G. Any consumer who puts up a mobile home line extension CAFC and replaces his mobile home with a permanent residence which is connected directly to the line for which the CAFC was made, shall be refunded the CAFC upon terms and conditions of the normal service extension policy for permanent residence.

40. ELECTRIC SERVICE TO CAMPS AND BARN, PUMPS, ETC.

(T) A. Construction to a permanent camp, campsite, barn, or barnsite, or other services with low usages, whereby low usage is any usage pattern that is substantially less than that of an average permanent single family residence, is as follows:

B. All required fee charges and advances shall be paid before construction begins.

(T) C. All extensions up to 300 feet from the nearest facility shall be made without charge.

(T) D. For extensions greater than 300 feet and less than 1,000 feet from the nearest facility, the Cooperative will charge a Consumer Advance for Construction (CAFC) based on the cost of construction for the portion of service beyond 300 feet, up to 1,000 feet. The deposit for that portion greater than 300 feet and less than 1,000 feet is subject refund as follows:

1. The CAFC shall be refunded to the consumer over a four year period in equal amounts for each year the service is continued, and the start of the period refund begins with the initial billing date.

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2. If the service is disconnected for a period of sixty (60) days or should the service be removed and another not take its place or be replaced by a permanent structure, the remainder of the CAFC shall be forfeited.

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Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

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BY: Stephan B. Bell
SECRETARY OF THE COMMISSION

40. ELECTRIC SERVICE TO CAMPS AND BARNES, PUMPS, ETC. (continued)

- D. 3. No refunds shall be made to any consumer who did not make the CAFC originally.
- 4. The member may elect to clear the right-of-way to reduce his cost of connection.
- E. For extensions greater than 1,000 feet the provisions, as stated in Part D, apply to the first 1,000 feet. For that portion of the line over 1,000 feet, the utility will charge the consumer the cost of construction for that portion of service beyond 1,000 feet. The deposit for that portion over 1,000 feet is subject to refund as follows:

Each year for a period of ten (10) years, which shall be the refund period, for that portion over 1,000 feet the provisions of (38B) will apply.
- F. Any consumer who puts up a service line extension CAFC and replaces this service with a permanent residence which is connected directly to the line for which the CAFC was made, shall be refunded the CAFC upon terms and conditions of the normal service extension policy for permanent residence.

41. UNDERGROUND ELECTRIC SERVICE

The purpose of this policy is to formulate requirements for underground electrical service for individuals and subdivisions, the application of which will insure adequate service and safety to all persons engaged in the construction, maintenance, operation, and use of underground facilities and to the public in general.

- A. Applicability - This policy shall only apply to underground electrical supply facilities used in connection with electric distribution within the definitions set out herein.
- B. Definitions - The following words and terms, when used in this policy, shall have the meaning indicated:

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ISSUED BY: Dudley Bottom Jr.

President & General Manager

Shelbyville, KY 40065

Name of Officer

Title

Address

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

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EFFECTIVE TO 807 KAR 5:011
SECTION 9(1)

BY: *Stephen Bell*
SECRETARY OF THE COMMISSION

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41. UNDERGROUND ELECTRIC SERVICE (continued)

B. Applicant - The developer, builder, or other person, partnership, association, corporation, or governmental agency applying for the installation of an underground electric distribution system.

Building - A structure enclosed within exterior walls or fire walls built, erected, or framed of component structural parts and designed for less than five (5) family occupancy.

Multiple-Occupancy Building - A structure enclosed within exterior walls or fire walls, built, erected, and framed of component structural parts and designed to contain five (5) or more individual dwelling units.

Distribution System - Electric service facilities consisting of primary and secondary conductors, transformers, and necessary accessories and appurtenances for the furnishing of electric power at utilization voltage.

Subdivision - The tract of land which is divided into ten (10) or more lots for the construction of new residential buildings, or the land on which is constructed two (2) or more new multiple occupancy buildings.

Commission - The Public Service Commission

Trenching and Backfilling - Opening and preparing the ditch for the installation of conduits, raceways, and conductors, providing a sand bedding when required, and the compacting and backfilling of trench to ground level.

C. Right-of-Way and Easements

1. The Cooperative shall construct or cause to be constructed, own, operate, and maintain distribution lines only along easements, public streets, roads, and highways which are by legal right accessible to the Cooperative's equipment and which the Cooperative has the legal right to occupy, and the public lands and

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Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

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JUN 04 1997
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PURSUANT TO 807 KAR 5:011,
 SECTION 9 (1)
 BY Stefano D. Bell
 SECRETARY OF THE COMMISSION

41. UNDERGROUND ELECTRIC SERVICE
- C. 1. private property across which rights-of-way and easements satisfactory to the Cooperative are provided without cost or condemnation by the Cooperative.
 - 2. Rights-of-way and easements suitable to the Cooperative for the underground distribution facilities must be furnished by the applicant in reasonable time to meet service requirements. The applicant shall make the area in which the underground distribution facilities are to be located accessible to the Cooperative's equipment, remove all obstructions from such area, stake to show property lines and final grade, perform rough grading to a reasonable approximation of final grade, and maintain clearing and grading during construction by the Cooperative. Suitable land rights shall be granted to the Cooperative, obligating the applicant and subsequent property owners to provide continuing access to the Cooperative for operation, maintenance, or replacement of its facilities, and to prevent any encroachment in the Cooperative's easement including changes in grade or elevation thereof.
 - D. Installation of Underground Distribution System Within New Subdivision
 - 1. Where appropriate contractual arrangements have been made, the Cooperative shall install within the subdivision an underground electric distribution system of sufficient capacity and suitable materials which, in its judgment will assure that the property owners will receive safe and adequate electric service for the foreseeable future.
 - 2. All single-phase conductors installed by the utility shall be underground. Appurtenances such as transformers, pedestal-mounted terminals, switching equipment, and meter cabinets may be placed above ground.
 - 3. Three-phase primary mains or feeders required within a subdivision to supply local distribution or to serve individual three-phase loads may be overhead unless underground is required by governmental authority or chosen by the applicant, in

DATE OF ISSUE: June 11, 1997 EFFECTIVE DATE: June 4, 1997
 ISSUED BY: *Stefano D. Bell* President & General Manager Shelbyville, KY 40065
 Name of Officer Title Address

	FOR	<u>All Territory Served</u>
	PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE	P.S.C. No. <u>8</u>
<u>Shelby Energy Cooperative, Inc.</u>	Original	SHEET NO. <u>24</u>
<u>Shelbyville, Kentucky</u>	JUN 04 1997	CANCELLING P.S.C. NO. <u>7</u>
Name of Issuing Corporation		SHEET NO. _____
	PURSUANT TO 807 KAR 5011, SECTION 9 (1)	
	BY: <u>Stephen O. Bell</u>	
	SECRETARY OF THE COMMISSION	

RULES AND REGULATIONS

41. UNDERGROUND ELECTRIC SERVICE (continued)

D. Installation of Underground Distribution System Within New Subdivision

3. either of which case the differential cost of underground shall be borne by the applicant.
4. If the Applicant has complied with the requirements herein and has given the Cooperative not less than 120 days written notice prior to the anticipated date of completion (i.e., ready for occupancy) of the first building in the subdivision, the Cooperative shall complete the installation 30 days prior to the estimated completion date. (Subject to weather and ground conditions and availability of materials and barring extraordinary or emergency circumstances beyond the reasonable control of the Cooperative). However, nothing in this policy shall be interpreted to require the Cooperative to extend to service portions of the subdivisions not under active development.
5. A non-refundable payment shall be made by the Applicant equal to the difference between the cost of providing underground facilities and that of providing overhead facilities. The payment to be made by the applicant shall be determined from the total footage of single-phase primary, secondary and service conductor to be installed at an average per foot cost differential in accordance with the average cost differential filed with the Public Service Commission. Where rock, shale, or other impairments are anticipated or encountered in construction, the actual increased cost of trenching and backfilling shall be borne by the Applicant.
6. The Applicant may be required to contribute the entire estimated cost of the extension. If this is done, the amount contributed in excess of the normal charge for the underground extensions, as provided in Paragraph 5 above shall be refunded to the Applicant over a ten (10) year period as provided by the Public Service Commission.
7. The Cooperative normally will perform or cause to be performed all necessary trenching and backfilling. The Applicant may elect to perform all necessary

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ISSUED BY:	<u><i>Stephen O. Bell</i></u>	President & General Manager	<u>Shelbyville, KY 40065</u>
	Name of Officer	Title	Address

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

FOR All Territory Served
P.S.C. No. 8
Original SHEET NO. 25
CANCELLING P.S.C. NO. 7
SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

JUN 04 1997

Name of Issuing Corporation

PURSUANT TO 807 KAR 5:011.
SECTION 9(1)

BY: Stephen O. Burt
SECRETARY OF THE COMMISSION

RULES AND REGULATIONS

41. UNDERGROUND ELECTRIC SERVICE (continued)

D. Installation of Underground Distribution System Within New Subdivision

7. trenching and backfilling in accordance with the Cooperative's specification. The Cooperative shall then credit the Applicant's cost in an amount equal to the Cooperative's normal cost for trenching and backfilling. However, the Cooperative personnel must be present at the time of backfilling if the Applicant elects to trench and backfill.
8. The Cooperative shall furnish, install, and maintain the service lateral to the Applicant's meter base. The Applicant may elect to perform the trenching, conduit installation, and backfilling relative to the installation of the service lateral. This work performed by the applicant must be inspected and approved by Cooperative personnel or agents before backfilling is completed. The Cooperative shall then credit the Applicant's cost in an amount equal to the Cooperative's normal cost for such work.
9. Plans for the location of all facilities to be installed shall be approved by the Cooperative and Applicant prior to construction. Alterations in plans by the Applicant which require additional cost of installation or construction shall be at the sole expense of the Applicant.
10. The Cooperative shall not be obligated to install any facility within a subdivision until satisfactory arrangements for the payment of charges have been completed by the Applicant.
11. The charges specified in these rules are based on the premise that each Applicant will cooperate with the Cooperative in an effort to keep the cost of construction and installation of the underground electric distribution system as low as possible and make satisfactory arrangements for the payment of the above charges prior to the installation of the facilities.

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ISSUED BY: Dudley B. Burt Jr.
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

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

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 04 1997

PURSUANT TO 807 KAR 5:011.
SECTION 9(1)
RULES AND REGULATIONS
BY: Stewart Bell
SECRETARY OF THE COMMISSION

FOR All Territory Served
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SHEET NO. _____

41. UNDERGROUND ELECTRIC SERVICE (continued)

D. Installation of Underground Distribution System Within New Subdivision

- 12. All electrical facilities shall be installed and constructed to comply with the Rules and Regulations of the Public Service Commission, all applicable codes, and Shelby Energy specifications.
- 13. For all other developments that do not meet the conditions set forth in these rules, underground distribution will be installed provided a Customer Advance For Construction to the Cooperative is made in an amount equal to the difference between the Cooperative's estimated cost of underground facilities and overhead facilities, which it would otherwise provide.

42. METER TESTING

Each and every watt-hour meter installed by the Cooperative on consumer's premises shall be tested periodically without charge to the consumer. Any other request for meter test shall be ^{32.50} complied with by the Cooperative and the consumer may be required to pay a \$25.00 meter test deposit. If the meter tests more than 2% fast, the ~~\$25.00~~ deposit shall be returned to the ^{32.50} consumer and a credit, based on Public Service Commission Rules and Regulations, shall be issued by the Cooperative to the consumer. If the meter is more than 2% slow, the member shall be billed for the difference, based on Public Service Commission Rules and Regulations. If the meter tests within the Commission's limits, the ~~\$25.00~~ may be retained to offset the cost of the ^{32.50} meter test. Such tests may not be made more frequently than once each twelve (12) months. (I)

43. TAXES

Pursuant to the authority vested in KRS 139.210, there shall be added to the bill of all applicable subscribers, the sales and use tax imposed by KRS 139.200. The Utility Gross Receipts License Tax for schools authorized by KRS 160.613 shall be added to all applicable subscribers' bills in accordance with KRS 160.617, which authorizes a rate increase for the school tax.

DATE OF ISSUE: June 11, 1997
ISSUED BY: *Dwight Bottom Jr.*
Name of Officer

EFFECTIVE DATE: June 4, 1997
President & General Manager
Title

Shelbyville, KY 40065
Address

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

FOR All Territory Served
P.S.C. No. 8
Original SHEET NO. 27
CANCELLING P.S.C. NO. 7
SHEET NO. _____

RULES AND REGULATIONS

44. VOLTAGE FLUCTUATIONS CAUSED BY MEMBER OR CONSUMER

Electric service must not be used in such a manner as to cause unusual fluctuations or disturbances to the Distribution System. The Cooperative may require the consumer, at his/her own expense, to install suitable apparatus which will reasonably limit such fluctuation.

45. CONFLICT

In case of conflict between any provisions of any rate schedule and the schedule of Rules and Regulations, the rate schedule/tariff shall apply.

46. FILING AND POSTING

A copy of these Rules and Regulations, together with a copy of the Cooperative's schedule of rates and charges, shall be kept open to inspection at the office of the Cooperative.

47. CLASSIFICATION OF CONSUMERS

Classification of consumers for accounting purposes is in accordance with the prescribed RUS Manual of Accounts.

48. STANDARD NOMINAL VOLTAGES

The standard nominal voltages for single and polyphase services throughout the distribution system are as specified below. Availability of a service voltage(s) is contingent upon existing service voltages(s) and other system parameters.

<u>Single Phase (volts)</u>	<u>Three Phase (volts)</u>
120/240	120/208 Y
240/480	240 delta
7,200	240 delta, 120/240 lighting
14,400	277/480 Y
	480 delta
	7,200/12,470 Y
	14,400/24,940 Y

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 04 1997

PURSUANT TO 807 KAR 5:011,
SECTION 9(1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE: June 11, 1997

EFFECTIVE DATE: June 4, 1997

ISSUED BY: Dudley Britton, Jr.
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

FOR All Territory Served

P.S.C. No. 9

3rd Revised SHEET NO. 28

CANCELLING P.S.C. NO. 8

2nd Revised SHEET NO. 28

RULES AND REGULATIONS



Shelby Energy Cooperative, Inc.

Your Touchstone Energy Partner

P.O. Box 309
Shelbyville, KY 40066-0309

(502) 633-4420
(502) 255-3001

(502) 845-2845
(800) 292-6585

Website: www.shelbyenergy.com

Office Hours:
7:30 a.m. - 4:30 p.m. EST
Monday - Friday

5

ACCOUNT NUMBER	ACCOUNT NAME	SERVICE ADDRESS	METER NUMBER	BILL DATE		
SERVICE PERIOD FROM: TO:	NO. OF DAYS	METER READING PREVIOUS PRESENT ESTIMATED	METER MULTIPLIER	BILLED DEMAND	WATT-HOURS	CHARGES
SERVICE LOCATION				TELEPHONE		TOTAL DUE NOW
COMPARISONS		DAYS SERVICE	TOTAL KWH	Avg. KWH/DAY	CYCLE	
CURRENT BILLING PERIOD	PREVIOUS BILLING PERIOD	SAME PERIOD LAST YEAR	RATE	DUE DATE	BILLS DELINQUENT AFTER DUE DATE	AFTER DUE DATE PAY
Your Electricity Use Over The Last 13 Months				CUSTOMER CHOICE PROGRAMS - AUTOMATIC BANK DRAFT PAYMENT, LEVELIZED BILLING AND FIXED BUDGET BILLING. CALL OUR OFFICE FOR DETAILS.		

IMPORTANT INFORMATION FROM YOUR ELECTRIC COOPERATIVE

Payments are accepted at our offices in Shelbyville & Bedford, KY.
Outside depository is available after hours for your convenience.
Please allow ample time for delivery before the due date when mailing your payment.
Failure to receive bill does not void penalties for late payment and service disconnection.

To Report a Power Outage, Call 1-800-292-6585

Ask us about customized billing:

- * Automatic Bank Draft Payment
- * Levelized/Fixed Billing
- * Outdoor Lighting
- * Optional Residential Rate

KEEP THIS STATEMENT FOR YOUR RECORDS
PLEASE DETACH AND RETURN THIS PORTION WITH PAYMENT



SHELBY ENERGY COOPERATIVE, INC.

Your Touchstone Energy Partner
P. O. Box 309
Shelbyville, KY 40066-0309

ADDRESS SERVICE REQUESTED

Voluntary donations to WinterCare will help less fortunate families and others in our area stay warm.

ACCOUNT NUMBER	CYCLE	BILL DATE
SERVICE LOCATION		
DUE DATE	AMOUNT DUE	
AMOUNT AFTER DUE DATE		
WINTERCARE DONATION		
TOTAL AMOUNT ENCLOSED		

PUBLIC SERVICE COMMISSION

OF KENTUCKY
EFFECTIVE
11/5/2006
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

DATE OF ISSUE: October 5, 2006

EFFECTIVE D By [Signature] mber 5, 2006

ISSUED BY: _____
Name of Officer

President and CEO _____
Title

Executive Director _____
Address

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

FOR All Territory Served

P.S.C. No. 8

1st Revised SHEET NO. 29

CANCELLING P.S.C. NO. 8

Original SHEET NO. 29

RULES AND REGULATIONS

50. ENERGY EMERGENCY CONTROL PROGRAM - Re: PSC Admin. Case No. 353

(T) Purpose - To provide a plan for reducing the consumption of electric energy on Shelby Energy Cooperative, Inc.'s system in the event of a severe electric energy shortage.

For the purpose of this program, the following priority levels have been established:

- I. Essential Health and Safety Uses -- as defined in Appendix A
- II. Residential Use
- III. Commercial and Industrial Uses
- IV. Nonessential Uses -- as defined in Appendix B
- V. Interruptible Loads
- VI. Direct Load Control

Procedures - The Wholesale Power Cooperative, East Kentucky Power Cooperative, Inc., ("EKPC"), will notify Shelby Energy in the event of a severe electric energy shortage, and the following steps will be implemented. These steps will be carried out to the extent not prohibited by contractual commitments or by order of the regulatory authorities having jurisdiction.

EKPC and Shelby Energy will take the following actions listed in priority order.

- 1. EKPC will initiate Direct Load Control and notify Shelby Energy.
- 2. EKPC will interrupt Interruptible Loads and notify Shelby Energy.
- 3. Shelby Energy will initiate its Load Reduction Procedure, Appendix C.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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FEB 13 1998

PURSUANT TO 807 KAR 5:011
SECTION 9(1)
BY Stephan O. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE: January 13, 1998

EFFECTIVE DATE: February 13, 1998

ISSUED BY: *Dwight Patton Jr.*
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

FOR All Territory Served
P.S.C. No. 8
Original SHEET NO. 30
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SHEET NO. _____

RULES AND REGULATIONS

50. ENERGY EMERGENCY CONTROL PROGRAM - (continued)

4. EKPC will notify Shelby Energy to initiate its Voltage Reduction Procedure, Appendix D.
5. EKPC will notify Shelby Energy and EKPC and Shelby Energy will initiate media appeal for general Voluntary Load Reduction Procedure, Appendix E.
6. EKPC will, in coordination with other Kentucky electric utilities, request the Governor to declare a statewide Energy Emergency.
7. EKPC will request Shelby Energy to initiate mandatory load reduction of up to twenty percent (20%) in five percent (5%) steps, Appendix F.

PUBLIC SERVICE COMMISSION
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JUN 04 1997

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE: June 11, 1997
ISSUED BY: Dwight Bottom, Jr.
Name of Officer

EFFECTIVE DATE: June 4, 1997
President & General Manager
Title

Shelbyville, KY 40065
Address

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

FOR All Territory Served
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Original SHEET NO. 31

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

JUN 04 1997

CANCELLING P.S.C. NO. 7

Name of Issuing Corporation

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

SHEET NO. _____

RULES AND REGULATIONS
BY Stewart B. Bu
SECRETARY OF THE COMMISSION

APPENDIX "A"

ESSENTIAL HEALTH AND SAFETY USES

Essential health and safety uses given special consideration in these procedures shall, insofar as the situation permits, include the following types of use and such other uses which the Commission may subsequently identify:

- (a) "Hospitals", which shall be limited to institutions providing medical care to patients.
- (b) "Life Support Equipment", which shall be limited to kidney machines, respirators, and similar equipment used to sustain the life of a person.
- (c) "Police Stations and Government Detention Institutions", which shall be limited to essential uses required for police activities and the operation of facilities used for the detention of persons. These uses shall include essential street, highway and signal-lighting services.
- (d) "Fire Stations", which shall be limited to facilities housing mobile fire-fighting apparatus.
- (e) "Communication Services", which shall be limited to essential uses required for telephone, telegraph, television, radio and newspaper operations.
- (f) "Water and Sewage Services", which shall be limited to essential uses required for the supply of water to a community, flood pumping and sewage disposal.
- (g) "Transportation and Defense-related Services", which shall be limited to essential uses required for the operation, guidance control and navigation of air, rail and mass transit systems, including those uses essential to the national defense and operation of state and local emergency services.
- (h) "Other Energy Source Services", which shall be limited to essential uses required for the production, transportation, transmission and distribution -- for fuel -- of natural or manufactured gas, coal, oil or gasoline.

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ISSUED BY: Dudley Bolton, Jr.
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

FOR All Territory Served
P.S.C. No. 8
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RULES AND REGULATIONS

Appendix "A" - Essential Health and Safety Uses (continued)

- (i) "Perishable Food or Medicine", which shall be limited to refrigeration for the storage and preservation of perishable food or medicine, when that use is substantially all of the customer's load.

Although these types of uses will be given special consideration when implementing the manual load-shedding provisions of this procedure, these customers are encouraged to install emergency generation equipment if continuity of service is essential. In case of customers supplied from two utility sources, only one source will be given special consideration. Also, any other customers who, in their opinion, have critical equipment should install emergency generation equipment. Shelby Energy's specific emergency list is on file in its office.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 04 1997

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan Bue
SECRETARY OF THE COMMISSION

DATE OF ISSUE: June 11, 1997

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ISSUED BY: Dwight Patton, Jr.
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

FOR All Territory Served
P.S.C. No. 8
Original SHEET NO. 33
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RULES AND REGULATIONS

APPENDIX "B"

NONESSENTIAL USES

The following and similar types of uses of electric energy and others which the Commission may subsequently identify shall be considered nonessential for all customers:

- (a) Outdoor flood and advertising lighting, except for the minimum level to protect life and property, and a single illuminated sign identifying commercial facilities when operating after dark.
- (b) General interior lighting levels greater than minimum functional levels.
- (c) Show-window and display lighting.
- (d) Parking-lot lighting above minimum functional levels.
- (e) Energy use greater than that necessary to maintain a temperature of not less than 76 degrees during operation of cooling equipment and not more than 68 degrees during operation of heating equipment.
- (f) Elevator and escalator use in excess of the minimum necessary for non-peak hours of use.
- (g) Energy use greater than that which is the minimum required for lighting, heating or cooling of commercial or industrial facilities for maintenance cleaning or business-related activities during non-business hours.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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JUN 04 1997

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SECTION 9 (1)

BY: Stephen D. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE: June 11, 1997

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ISSUED BY: Dwight Bottoms Jr.
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

FOR All Territory Served
P.S.C. No. 8
Original SHEET NO. 34
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SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

JUN 04 1997

Name of Issuing Corporation

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Stephan Bell
SECRETARY OF THE COMMISSION

RULES AND REGULATIONS

APPENDIX "C"

LOAD REDUCTION PROCEDURE

Objective:

To reduce demand at Shelby Energy's facilities over the time period during which an electric energy shortage is anticipated.

Criteria:

This procedure is implemented when a *Load Reduction Alert* is issued. The President and General Manager has the responsibility of issuing a Load Reduction Alert.

Procedure:

1. The President and General Manager receives notice from EKPC of capacity shortage.
2. The President and General Manager is responsible for seeing that employees are participating in achieving the largest load reduction possible while still maintaining the service of the facility and not unduly jeopardizing safety.
3. Each Department Manager is responsible for seeing that employees are participating in achieving the largest load reduction possible while still maintaining the service of the facility and not unduly jeopardizing safety.
4. Examples of load reduction are:
 - turning off all but a minimum of indoor and outdoor lighting
 - turning off microcomputers, printers, copiers, and other office equipment except as they are used
 - in the winter, setting thermostats no higher than 68 degrees, and in the summer no lower than 76 degrees

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ISSUED BY: Dudley Bottom, Jr.
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

FOR All Territory Served
P.S.C. No. 8
Original SHEET NO. 35
CANCELLING P.S.C. NO. 7
SHEET NO. _____

RULES AND REGULATIONS

APPENDIX "D"

VOLTAGE REDUCTION PROCEDURE

Objective:

To reduce demand on Shelby Energy's system over the period during which an electric energy shortage is anticipated by reducing the set point on system voltage regulators.

Criteria:

This procedure is implemented when requested by EKPC System Operator.

Procedure:

Shelby Energy will immediately dispatch personnel to reduce set points on regulators as much as possible while continuing to maintain minimum voltage requirements as prescribed by the Kentucky Public Service Commission. Shelby Energy's specific plan is on file in its office.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 04 1997

PURSUANT TO 807 KAR 5:011.
SECTION 9(1)

BY: Stephan Bui
SECRETARY OF THE COMMISSION

DATE OF ISSUE: June 11, 1997
ISSUED BY: Dudley Bottom, Jr.
Name of Officer

EFFECTIVE DATE: June 4, 1997
President & General Manager
Title

Shelbyville, KY 40065
Address

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

FOR All Territory Served
P.S.C. No. 8
1st Revised SHEET NO. 36
CANCELLING P.S.C. NO. 8
Original SHEET NO. 36

RULES AND REGULATIONS

APPENDIX "E"

VOLUNTARY LOAD REDUCTION PROCEDURE

Objective:

To reduce demand on Shelby Energy's system over the period during which an electric energy shortage is anticipated through media appeal for consumers to curtail energy use.

Criteria:

This procedure is implemented when requested by EKPC Marketing and Communications Division personnel.

Procedure:

Notify the following radio stations: WHAS, Louisville; WIKI, Carrollton; WKX, Eminence; and WCND, Shelbyville of the electrical shortage and ask them to make the public service announcement recommended by EKPC personnel. An example announcement is as follows:

"Attention all Rural Electric Members:

Shelby Energy is experiencing a critical shortage of electricity to its members, and is requesting that all non-essential electrical appliances and lighting be turned off, and thermostats be lowered/raised immediately until (time of emergency).

(T) Shelby Energy is encountering record high usage of electricity during this period of extreme low/high temperatures, and to help us keep from having a power blackout in your area, we need your help NOW until (time of emergency).

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

Please turn off all electricity you do not have to have on.

FEB 13 1998

Thank you for your cooperation."

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

Notify the following industrial or large commercial consumers to request them to curtail their energy use as well: Shelby Energy's specific industrial or large commercial consumer listing is on file in its office.

DATE OF ISSUE: January 13, 1998
ISSUED BY: Dudley Bottom, Jr.
Name of Officer

EFFECTIVE DATE: February 13, 1998
President & General Manager
Title

Shelbyville, KY 40065
Address

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

FOR All Territory Served
P.S.C. No. 8
Original SHEET NO. 37
CANCELLING P.S.C. NO. 7

SHEET NO. _____

RULES AND REGULATIONS

APPENDIX "F"

MANDATORY LOAD CURTAILMENT PROCEDURE

Objective:

To reduce demand on Shelby Energy's system over the period during which an electric energy shortage is anticipated by interrupting firm consumer load in five percent (5%) blocks up to a total of twenty percent (20%) of the system load.

Criteria:

This procedure is implemented when requested by the EKPC System Operator. This procedure will only be requested after the Governor of Kentucky has issued a statewide State of Emergency Order.

Procedures:

Shelby Energy will immediately dispatch personnel to interrupt service to member consumer loads to achieve the reduction requested by EKPC. This may be achieved by interrupting services to certain nonessential loads for the entire period of the emergency or by rotating outages to various substation feeder circuits. Shelby Energy's specific plan is on file in its office.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 04 1997

PURSUANT TO KAR 807 KAR 5011,
SECTION 9(1)

BY: Stephan Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE: June 11, 1997 EFFECTIVE DATE: June 4, 1997
ISSUED BY: Dudley Bottom, Jr. President & General Manager Shelbyville, KY 40065
Name of Officer Title Address

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

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

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

Canceling P.S.C. NO. 5
2nd 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 @ \$4.97 per KW.</p>	(1)

DATE OF ISSUE March 26, 2009
ISSUED BY *Dustin Martin*
Name of Officer
Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. 2008-00423

DATE EFFECTIVE: April 1, 2009
PUBLIC SERVICE COMMISSION OF KENTUCKY
President & CEO
EFFECTIVE
Dated 4/1/2009
March 31, 2009
PURSUANT TO 607 KAR 5.011 - SECTION 9 (1)
By *J. D. Brown*
Executive Director

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
6th Revised Sheet No. 2

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

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

CLASSIFICATION OF SERVICE					
GENERAL SERVICE - RATE 1					Rate Per Unit
<u>Rate</u>	<u>Energy Charge</u>				
	Consumer Facility Charge		\$ 7.92	(minimum)	
	First	600 kWh per month	\$ 0.09193	per kWh	(1)
	Next	1,400 kWh per month	\$ 0.08999	per kWh	(1)
	All Over	2,000 kWh per month	\$ 0.08854	per kWh	(1)
<u>DETERMINATION OF BILLING DEMAND:</u>					
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.					
<u>POWER FACTOR ADJUSTMENT:</u>					
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.					

DATE OF ISSUE July 21, 2009

DATE EFFECTIVE: August 1, 2009

ISSUED BY *Delvin Martin*
Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in

Case No. 2008-00536

TITLE President & CEO
PUBLIC SERVICE COMMISSION OF KENTUCKY

EFFECTIVE
8/1/2009

Dated PURSUANT TO July 13, 2009 5:011
SECTION 9 (1)

By *J. D. Brown*
Executive Director

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
2nd Revised Sheet No. 3

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

Canceling P.S.C. NO. 5
1st Revised 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 \$7.92. 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>	(1)

D

DATE OF ISSUE March 26, 2009

DATE EFFECTIVE: April 1, 2009

ISSUED BY *Delicia Martin*
Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. 2008-00423

TITLE	President & CEO
PUBLIC SERVICE COMMISSION	
OF KENTUCKY	
Dated	<u>March 27, 2009</u>
4/1/2009	
PURSUANT TO 807 KAR 5:011	
SECTION 9 (1)	
By	<u><i>W. D. Brown</i></u> Executive Director

Form for filing Rate Schedules

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
 Original SHEET NO. 4
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

CLASSIFICATION OF SERVICE

GENERAL SERVICE - RATE 1

RATE
PER UNIT

FUEL ADJUSTMENT CLAUSE:

This rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

SPECIAL RULES:

Motors having a rated capacity in excess of ten horsepower (10HP) must be three-phase. Motors in excess of five horsepower (5 HP) shall be provided with compensating starting equipment acceptable to the Seller.

TEMPORARY SERVICE:

Consumers requiring temporary service under this rate schedule may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover estimated consumption of electricity. Both fees will be paid in advance.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 04 1997

PURSUANT TO 807 KAR 5:011,
SECTION 9(1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE: June 11, 1997

EFFECTIVE DATE: June 4, 1997

SUED BY: *Dudley Batten, Jr.*
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
6th Revised Sheet No. 5

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

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

CLASSIFICATION OF SERVICE

LARGE POWER SERVICE - RATE 2

Rate
Per Unit

AVAILABILITY:

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 service under Rate 1, located on or near Seller's line for all types of usage, subject to the established Rules and Regulations of Seller.

TYPES OF SERVICE:

Three -phase, 60 Hertz, available at Sellers's standard voltage

MONTHLY RATE:

Customer Charge Per Month \$50.15

Demand Charge

\$4.97 per month per KW of billing demand

Energy Charge

First 100 kWh per KW demand \$ 0.07676 per kWh

Next 100 kWh per KW demand \$ 0.07061 per kWh

All Over 200 kWh per KW demand \$ 0.06448 per kWh

Energy Charge Per kWh for all kWh \$0.06823

(F)
(N)

(D)

(N)

DATE OF ISSUE July 21, 2009

DATE EFFECTIVE: August 1, 2009

ISSUED BY *Debbie Martin*
Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky

Case No. 2008-00536

TITLE President & CEO

PUBLIC SERVICE COMMISSION OF KENTUCKY
EFFECTIVE

Dated July 15, 2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By *[Signature]*
Executive Director

Form for filing Rate Schedules

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
 Original SHEET NO. 6
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

 Name of Issuing Corporation

CLASSIFICATION OF SERVICE		PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE
LARGE POWER SERVICE - RATE 2	JUN 04 1997	RATE PER UNIT
<p><u>DETERMINATION OF BILLING DEMAND:</u></p> <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 below.</p> <p><u>POWER FACTOR ADJUSTMENT:</u></p> <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> <p><u>FUEL ADJUSTMENT CLAUSE:</u></p> <p>This rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.</p>		<p>PURSUANT TO 807 KAR 5:011, SECTION 9 (1)</p> <p>BY: <u>Stephan D. Bell</u> SECRETARY OF THE COMMISSION</p>

DATE OF ISSUE: June 11, 1997 EFFECTIVE DATE: June 4, 1997

SUED BY: Dudley Bottom Jr. President & General Manager Shelbyville, KY 40065
 Name of Officer Title Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

FOR All Territory Served
Community, Town or City
 P.S.C. No. 5
 Original SHEET NO. 7
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
LARGE POWER SERVICE - RATE 2	RATE PER UNIT
<p><u>MINIMUM MONTHLY CHARGE:</u></p> <p>The minimum monthly charge shall be the highest one of the following charges as determined for the consumer in question:</p> <ol style="list-style-type: none"> The minimum monthly charge specified in the contract for services. The charge of \$1.00 per KVA of installed transformer capacity. <p><u>SPECIAL PROVISIONS:</u></p> <ol style="list-style-type: none"> <u>Delivery Point</u> - If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be owned and maintained by the consumer. If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer. 	

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE
 JUN 04 1997
 PURSUANT TO 807 KAR 5:011,
 SECTION 9(1)
 BY: Stephen O. Bell
 SECRETARY OF THE COMMISSION

DATE OF ISSUE: June 11, 1997 EFFECTIVE DATE: June 4, 1997
 ISSUED BY: Dudley Bottom President & General Manager Shelbyville, KY 40065
 Name of Officer Title Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedules

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 8
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

CLASSIFICATION OF SERVICE

LARGE POWER SERVICE - RATE 2	RATE PER UNIT
<p><u>SPECIAL PROVISIONS:</u></p> <p>3. <u>Primary Service</u> - If service is furnished at primary distribution voltage, a discount of five percent (5%) shall apply to the demand and energy charges. The Seller shall have the option of metering at secondary voltage.</p> <p>4. <u>Contract</u> - An "Agreement for Purchase of Power" shall be executed by the consumer for service under this rate schedule.</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 the bill, the gross rate shall apply.</p> <p><u>SPECIAL RULES:</u></p> <p>Motors having a rated capacity in excess of ten horsepower (10 HP) must be three-phase. Motors in excess of five horsepower (5 HP) shall be provided with compensating starting equipment acceptable to the Seller.</p> <p><u>TEMPORARY SERVICE:</u></p> <p>Consumers requiring temporary service under this rate schedule may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover estimated consumption of electricity. Both fees will be paid in advance.</p>	<p>PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE JUN 04 1997 PURSUANT TO 807 KAR 5:011, SECTION 9 (1) BY: <u>Stephan D. Bell</u> SECRETARY OF THE COMMISSION</p>

DATE OF ISSUE: June 11, 1997
 ISSUED BY: Dudley Bottom, Jr.
 Name of Officer

EFFECTIVE DATE: June 4, 1997
President & General Manager
 Title

Shelbyville, KY 40065
 Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
7th Revised Sheet No. 9

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

Cancelling P.S.C. NO. 5
6th Revised Sheet No. 9

CLASSIFICATION OF SERVICE		Rate Per Unit
OUTDOOR AND STREET LIGHTING SERVICE - RATE 3		
<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	9.31 \$ 7.86 (1)
B.	HPS (High Pressure Sodium) 100 Watt Decorative Colonial Light	10.44 \$ 10.50 (1)
C.	HPS (High Pressure Sodium) 400 Watt Directional Flood and Security and Street Light	18.46 \$ 16.43 (1)
D.	HPS (High Pressure Sodium) 250 Watt Directional Flood and Security and Street Light	13.40 \$ 14.73 (1)
E.	HPS (High Pressure Sodium) 150 Watt Decorative Acorn Light	14.94 \$ 12.61 (1)

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DATE OF ISSUE July 21, 2009
ISSUED BY *Dennis Martin*
Name of Officer

DATE EFFECTIVE: August 1, 2009

PUBLIC SERVICE COMMISSION
OF KENTUCKY
TITLE President & CEO
8/1/2009

Issued by authority of an Order of the Public Service Commission of Kentucky
Case No. 2008-00536

PURSUANT TO 807 KAR 5:011

SECTION 9 (1)

:009

By *W. D. Brown*
Executive Director

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
 Original SHEET NO. 10
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

CLASSIFICATION OF SERVICE

OUTDOOR AND STREET LIGHTING SERVICE - RATE 3

RATE PER UNIT

CONDITIONS OF SERVICE:

1. Colonial Installation (Served underground)
 For installation where 120/240 volt secondary voltage is available. The Cooperative shall furnish, install, own, and maintain standoff brackets, decorative poles and fixtures for the lamp being used. The consumer shall pay the monthly rate plus any additional charges as determined plus furnish all ditching, conduit, back filling, and repaving/seedling/sodding as necessary in accordance with the Cooperative's specifications. The consumer will install the conduit. The Cooperative will make all necessary connections. Upon termination of this service, the Cooperative shall not be required to remove underground wiring or conduit.
2. Directional, security and street lighting (Served Overhead)
 For installation on existing wood poles where 120/240 volt secondary voltage is available. Any additional required facilities may be provided by the Cooperative at an additional charge per month to be determined by the Cooperative.
3. The Cooperative shall maintain the lighting equipment including the lamp replacement, at no additional cost to the consumer within 72 hours after the consumer notifies the Cooperative of the need for maintenance of the lighting equipment.
4. The lighting equipment, poles, and related facilities shall remain the property of the Cooperative. The consumer shall be responsible for fixture replacement or repairs where such replacement or repairs are caused from willful damage, vandalism, or causes other than normal burnouts.
5. The consumer shall allow authorized representatives of the Cooperative to enter upon the consumer's premises and to trim trees and shrubs as necessary for maintenance of the lighting equipment and for removal of lighting equipment upon termination of service under this rate schedule.

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE

JUN 04 1997

PURSUANT TO 807 KAR 5:011,
 SECTION 9(1)
 BY: Shelby B. Blum
 SECRETARY OF THE COMMISSION

DATE OF ISSUE: June 11, 1997

EFFECTIVE DATE: June 4, 1997

SUED BY: Dwight Bottom, Jr.
 Name of Officer

President & General Manager
 Title

Shelbyville, KY 40065
 Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedules

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 11
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

 Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
OUTDOOR AND STREET LIGHTING SERVICE - RATE 3	RATE PER UNIT
<p><u>CONDITIONS OF SERVICE (continued):</u></p> <p>6. When additional facilities are required by the consumer, the Cooperative may furnish them at an additional charge per month to be determined by the Cooperative. These additional charges are subject to change by the Cooperative upon 30 days prior written notice. All facilities furnished by the Cooperative will be standard stocked material.</p> <p>7. The Cooperative and the consumer shall execute an agreement for service under this schedule for a period not less than one year. Cancellation by the consumer prior to the initial one-year term will require the consumer to pay the Cooperative its cost of installation and removal of facilities plus the salvageable material, prorated on the basis of the remaining portion of the one-year period.</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. No reduction will be made to the consumer's monthly charge under this schedule for service interruption time due to lamp failure or other cause beyond the control of the Cooperative.</p> <p><u>FUEL ADJUSTMENT CLAUSE:</u></p> <p>This rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in KAR 5::056.</p>	
PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE <u>JUN-04 1997</u> PURSUANT TO 807 KAR 5:011. SECTION 9(1) BY: <u>Stephan Bee</u> SECRETARY OF THE COMMISSION	

DATE OF ISSUE: June 11, 1997 EFFECTIVE DATE: June 4, 1997
 SUEB BY: Dudley Bottom, Jr. President & General Manager Shelbyville, KY 40065
 Name of Officer Title Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

FOR All Territory Served
Community, Town or City
 P.S.C. No. 5
 3rd Revised SHEET NO. 12
 CANCELLING P.S.C. NO. 5
 2nd Revised SHEET NO. 12

Shelby Energy Cooperative, Inc.
 Shelbyville, Kentucky

Name of Issuing Corporation

CLASSIFICATION OF SERVICE		RATE PER UNIT																		
STANDBY POWER RATE - RATE 4																				
<p><u>AVAILABILITY:</u></p> <p>This rate is explicitly to provide standby electrical service to the Louisville Gas & Electric power station site at Wisers Landing in Trimble County, Kentucky.</p> <p><u>TYPE OF SERVICE:</u></p> <p>Three-phase, 60 Hertz, 7.2/12.47 KV GRDY</p> <p><u>RATE</u></p> <p><u>Demand Charge</u></p> <p>The identical demand billed by East Kentucky Power Cooperative from the wholesale power invoice for that particular month.</p> <p><u>Energy Charge</u></p> <table border="0"> <tr> <td>First</td> <td>100 kWh per KW demand</td> <td>@</td> <td>\$.04669</td> <td>per kWh</td> <td>(R)</td> </tr> <tr> <td>Next</td> <td>100 kWh per KW demand</td> <td>@</td> <td>.04079</td> <td>per kWh</td> <td>(R)</td> </tr> <tr> <td>All Over</td> <td>200 kWh per KW demand</td> <td>@</td> <td>.03492</td> <td>per kWh</td> <td>(R)</td> </tr> </table>			First	100 kWh per KW demand	@	\$.04669	per kWh	(R)	Next	100 kWh per KW demand	@	.04079	per kWh	(R)	All Over	200 kWh per KW demand	@	.03492	per kWh	(R)
First	100 kWh per KW demand	@	\$.04669	per kWh	(R)															
Next	100 kWh per KW demand	@	.04079	per kWh	(R)															
All Over	200 kWh per KW demand	@	.03492	per kWh	(R)															

DATE OF ISSUE: May 1, 2003 EFFECTIVE DATE: May 1, 2003
 ISSUED BY: Dudley Bottom, Jr. President & CEO Shelbyville, KY 40065
 Name of Officer Title Address

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2002-00449 Dated April 29, 2003
 BY Charles W. S. Smith EXECUTIVE DIRECTOR

FOR All Territory Served
Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 13
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

 Name of Issuing Corporation

CLASSIFICATION OF SERVICE

STANDBY POWER RATE - RATE 4

RATE
PER UNIT

DETERMINATION OF BILLING DEMAND:

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 below.

POWER FACTOR ADJUSTMENT:

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.

FUEL ADJUSTMENT CLAUSE:

This rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 04 1997

PURSUANT TO 807 KAR 5:011,
SECTION 9(1)
BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE: June 11, 1997

EFFECTIVE DATE: June 4, 1997

SUED BY: Dudley Patton, Jr.
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

FOR All Territory Served
Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 14
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

 Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
STANDBY POWER RATE - RATE 4	RATE PER UNIT
<p><u>MINIMUM MONTHLY CHARGE:</u></p> <p>As specified in an "Agreement" for electric service dated October 4 and October 25, 1979.</p> <p><u>SPECIAL PROVISIONS:</u></p> <p>Motor loads will be added in increments that will minimize transient voltage changes for other consumers on this circuit.</p> <p><u>TERMS OF PAYMENT:</u></p> <p>As specified in an "Agreement" for electric service dated October 4 and October 25, 1979.</p> <p style="text-align: center;">THIS RATE IS SUBJECT TO ADJUSTMENT AT ANY TIME SHELBY ENERGY COOPERATIVE ADJUSTS ITS OTHER RATE SCHEDULES</p> <div style="text-align: right;"> <p>PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE JUN 04 1997 PURSUANT TO 807 KAR 5:011, SECTION 9(1) BY: <u>Stephan D. Bell</u> SECRETARY OF THE COMMISSION</p> </div>	

DATE OF ISSUE: June 11, 1997 EFFECTIVE DATE: June 4, 1997
 ISSUED BY: Dudley Bottom, Jr. President & General Manager Shelbyville, KY 40065
 Name of Officer Title Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
8th Revised Sheet No. 15

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

Cancelling P.S.C. NO. 5
7th Revised Sheet NO 15

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	\$0.05312 per kWh	(1)

DATE OF ISSUE July 21, 2009 DATE EFFECTIVE: August 1, 2009

ISSUED BY *Debbie Martin*
Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky

Case No. 2008-00536

TITLE	President & CEO
PUBLIC SERVICE COMMISSION OF KENTUCKY	
EFFECTIVE	8/1/2009
Dated	July 15, 2009
PURSUANT TO 807 KAR 5:011- SECTION 9 (1)	
By	<u><i>J. D. Brown</i></u> Executive Director

Form for filing Rate Schedules

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 16
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

 Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
OFF-PEAK RETAIL MARKETING RATE (ETS)	RATE PER UNIT
<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><u>FUEL ADJUSTMENT CHARGE:</u></p> <p>All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed ten percent (10%) and is based on a twelve (12) month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.</p>	
<p>PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE</p> <p>JUN 04 1997</p> <p>PURSUANT TO 807 KAR 5:011. SECTION 9(1)</p> <p>BY: <u>Stephan B. Bell</u> SECRETARY OF THE COMMISSION</p>	

DATE OF ISSUE: June 11, 1997 EFFECTIVE DATE: June 4, 1997

SUED BY: Dwight Bottom President & General Manager Shelbyville, KY 40065
 Name of Officer Title Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
6th Revised Sheet No. 17

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

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

CLASSIFICATION OF SERVICE		Rate
LARGE INDUSTRIAL RATE - SCHEDULE B1		Per Unit
<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	\$	590.43
Demand Charge per KW of Contract Demand	\$	5.94
Demand Charge per KW for Billing Demand in Excess of Contract Demand	\$	8.63
Energy Charge per kWh	\$	0.05671 (1)
<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 July 21, 2009

DATE EFFECTIVE: August 1, 2009

ISSUED BY *Dennis Martin*
Name of Officer

TITLE President & CEO

Issued by authority of an Order of the Public Service Commission of Kentucky in

Case No. 2008-00536

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
Dated July 12, 2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
By *J. D. Bevan*
Executive Director

FOR All Territory Served
Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 18
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

CLASSIFICATION OF SERVICE		PUBLIC SERVICE COMMISSION OF KENTUCKY
LARGE INDUSTRIAL RATE SCHEDULE B1		EFFECTIVE
		RATE PER UNIT
<u>MINIMUM MONTHLY CHARGE:</u>		JUN 04 1997
<p>The minimum monthly charge shall not be less than the sum of (a) through (d) below</p> <p>(a) Consumer Charge.</p> <p>(b) The product of the contract demand multiplied by the contract demand charge, plus the product of the demand in excess of the contract demand multiplied by the in excess of contract demand charge.</p> <p>(c) The product of the contract demand multiplied by 400 hours and the energy charge per kWh.</p> <p>(d) Contract provisions that reflect special facilities requirements.</p>		<p>PURSUANT TO 807 KAR 5011, SECTION 9(1)</p> <p>BY: <u>Stephan D. Bell</u> SECRETARY OF THE COMMISSION</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 billing demand is less than 0.90 (90%), the demand for the billing purposes shall be the demand as indicated or recorded, multiplied by 0.90 (90%) and divided by the power factor.</p>		
<u>FUEL ADJUSTMENT CLAUSE:</u>		
<p>This rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.</p>		

DATE OF ISSUE: June 11, 1997 EFFECTIVE DATE: June 4, 1997
 SIGNED BY: Dudley Bottom, Jr. President & General Manager Shelbyville, KY 40065
 Name of Officer Title Address

Issued by authority of an Order of the Public Service Commission of Kentucky In
 Case No. _____ Dated _____

Form for filing Rate Schedules

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 19
 CANCELLING P.S.C. No. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

CLASSIFICATION OF SERVICE

LARGE INDUSTRIAL RATE SCHEDULE B1

RATE
PER UNIT

SPECIAL PROVISIONS:

1. Delivery Point - If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service.

All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be owned and maintained by the consumer.

2. If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE
 JUN 04 1997
 PURSUANT TO 807 KAR 5:011,
 SECTION 9(1)
 BY: Stephan O Bell
 SECRETARY OF THE COMMISSION

TERMS OF PAYMENT:

The above rates are net; the gross rates are 5% 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.

TEMPORARY SERVICE:

Consumers requiring temporary service under this rate schedule may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover estimated consumption of electricity. Both fees will be paid in advance.

DATE OF ISSUE: June 11, 1997

EFFECTIVE DATE: June 4, 1997

SUED BY: Dudley Botton, Jr.
 Name of Officer

President & General Manager
 Title

Shelbyville, KY 40065
 Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
6th Revised Sheet No. 20

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

Cancelling P.S.C. No. 5
5th Revised Sheet No. 20

CLASSIFICATION OF SERVICE	
LARGE INDUSTRIAL RATE - SCHEDULE B2	Rate Per Unit
<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	\$ 1,179.75
Demand Charge per KW of Contract Demand	\$ 5.94
Demand Charge per KW for Billing Demand in Excess of Contract Demand	\$ 8.63
Energy Charge per kWh	\$ 0.05119 (1)
<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 July 21, 2009 DATE EFFECTIVE: August 1, 2009

ISSUED BY *Dellini Martin*
Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky

Case No. 2008-00536

TITLE President & CEO
PUBLIC SERVICE COMMISSION
OF KENTUCKY
 EFFECTIVE
8/1/2009
July 15, 2009
 PURSUANT TO 807 KAR 5.011
 SECTION 9 (1)
 By *J. D. Brown*
 Executive Director

Form for filing Rate Schedules

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 21
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

CLASSIFICATION OF SERVICE

LARGE INDUSTRIAL RATE SCHEDULE B2	RATE PER UNIT
<p><u>MINIMUM MONTHLY CHARGE:</u></p> <p>The minimum monthly charge shall not be less than the sum of (a) through (d) below:</p> <p>(a) Consumer Charge.</p> <p>(b) The product of the contract demand multiplied by the contract demand charge, plus the product of the demand in excess of the contract demand multiplied by the in excess of contract demand charge.</p> <p>(c) The product of the contract demand multiplied by 400 hours and the energy charge per kWh.</p> <p>(d) Contract provisions that reflect special facilities requirements.</p> <p><u>POWER FACTOR ADJUSTMENT:</u></p> <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 billing demand is less than 0.90 (90%), the demand for the billing purposes shall be the demand as indicated or recorded, multiplied by 0.90 (90%) and divided by the power factor.</p> <p><u>FUEL ADJUSTMENT CLAUSE:</u></p> <p>This rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.</p>	<p>PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE JUN 04 1997 PURSUANT TO 807 KAR 5:01 SECTION 9(1) <i>Stephen D. Bell</i> SECRETARY OF THE COMMISSION</p>

DATE OF ISSUE: June 11, 1997

EFFECTIVE DATE: June 4, 1997

SUBMITTED BY: *Dudley Patton Jr.*
 Name of Officer

President & General Manager
 Title

Shelbyville, KY 40065
 Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedules

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 22
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

 Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
LARGE INDUSTRIAL RATE SCHEDULE B2	RATE PER UNIT
<p>SPECIAL PROVISIONS:</p> <p>1. <u>Delivery Point</u> - If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service.</p> <p style="padding-left: 40px;">All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be owned and maintained by the consumer.</p> <p>2. If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.</p> <p>TERMS OF PAYMENT:</p> <p>The above rates are net; the gross rates are 5% 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>TEMPORARY SERVICE:</p> <p>Consumers requiring temporary service under this rate schedule may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover estimated consumption of electricity. Both fees will be paid in advance.</p>	

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE
 JUN 04 1997
 PURSUANT TO 807 KAR 5:011
 SECTION 9(1)
 BY: Stephan D Bell
 SECRETARY OF THE COMMISSION

DATE OF ISSUE: June 11, 1997 EFFECTIVE DATE: June 4, 1997
 SUELED BY: Dudley Bolton, Jr. President & General Manager Shelbyville, KY 40065
 Name of Officer Title Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
6th Revised Sheet No. 23

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

Cancelling P.S.C. No. 5
5th Revised Sheet No. 23

CLASSIFICATION OF SERVICE		Rate Per Unit
LARGE INDUSTRIAL RATE - SCHEDULE B3		
<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	\$ 3,288.73	
Transformer Size of 15,000 kVa and greater	\$ 5,220.04	
Demand Charges per kW		
Contract Demand	\$ 5.94	
Billing Demand in Excess of Contract Demand	\$ 8.63	
Energy Charge per kWh	\$ 0.05008	(1)
<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 June 21, 2009

DATE EFFECTIVE: August 1, 2009

ISSUED BY *Dustin Martin*
Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky 11/2009
Case No. 2008-00536

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
Dated PURSUANT TO ORDER 11/2009
SECTION 9 (1)

By *J. D. Brown*
Executive Director

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
1st Revised Sheet No. 24

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

Canceling P.S.C. No. 5
Original Sheet No. 24

CLASSIFICATION OF SERVICE	
LARGE INDUSTRIAL RATE SCHEDULE B3	Rate Per Unit
<u>MINIMUM MONTHLY CHARGE:</u>	
The minimum monthly charge shall not be less than the sum of (a) through (d) below:	
(a) Consumer Charge	T
(b) The product of the contract demand multiplied by the contract demand charge, plus the product of the demand in excess of the contract demand multiplied by the in excess of contract demand charge.	
(c) The product of the contract demand multiplied by 400 hours and the energy charge per kWh minus the fuel base per kWh.	
(d) Contract provisions that reflect special facilities requirements	
<u>POWER FACTOR ADJUSTMENT:</u>	
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 billing demand is less than 0.90 (90%), the demand for the billing purposes shall be the demand as indicated or recorded, multiplied by 0.90 (90%) and divided by the power factor.	
<u>FUEL ADJUSTMENT CLAUSE:</u>	
This rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056	

DATE OF ISSUE July 20, 2004
ISSUED BY *Dudley Patton Jr.*
Name of Officer
Issued by authority of an Order of the Public Service Commission of Kentucky
Case No. 2004-00195

DATE EFFECTIVE: July 9, 2004
PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
Dated 7/9/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
By *[Signature]*
Executive Director

Form for filing Rate Schedules

FOR All Territory Served
 Community, Town or City _____
 P.S.C. No. 5
Original SHEET NO. 25
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

 Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
LARGE INDUSTRIAL RATE SCHEDULE B3	RATE PER UNIT
<p><u>SPECIAL PROVISIONS:</u></p> <p>1. <u>Delivery Point</u> - If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service.</p> <p style="padding-left: 40px;">All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be owned and maintained by the consumer.</p> <p>2. If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.</p> <p><u>TERMS OF PAYMENT:</u></p> <p>The above rates are net; the gross rates are 5% 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><u>TEMPORARY SERVICE:</u></p> <p>Consumers requiring temporary service under this rate schedule may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover estimated consumption of electricity. Both fees will be paid in advance.</p>	

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE
 JUN 04 1997
 PURSUANT TO 807 KAR 5.011,
 SECTION 9(1)
Stephan D. Bell
 SECRETARY OF THE COMMISSION

DATE OF ISSUE: June 11, 1997 EFFECTIVE DATE: June 4, 1997
 ISSUED BY: Dudley Bottom Jr. President & General Manager Shelbyville, KY 40065
 Name of Officer Title Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
6th Revised Sheet No. 26

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

Cancelling P.S.C. No. 5
5th 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	\$ 590.43	(1)
Demand Charge per KW of billing demand	\$ 5.94	
Energy Charge per kWh	\$ 0.05671	
<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 July 21, 2009 DATE EFFECTIVE: August 1, 2009

ISSUED BY *Dennis Martin*
Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky

Case No. 2008-00536

TITLE President & CEO
**PUBLIC SERVICE COMMISSION
OF KENTUCKY**

EFFECTIVE
8/1/2009

Dated PURSUANT TO July 13, 2009 ORDER 5:011
SECTION 9 (1)

By *J. D. Brown*
Executive Director

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 27
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

CLASSIFICATION OF SERVICE

LARGE INDUSTRIAL RATE SCHEDULE C1

RATE
PER UNIT

MINIMUM MONTHLY CHARGE:

The minimum monthly charge shall not be less than the sum of (a) and (b) below:

- (a) The product of the billing demand multiplied by the demand charge, plus
- (b) The product of the billing demand multiplied by 400 hours and the energy charge per kWh.

POWER FACTOR ADJUSTMENT:

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, multiplied by 0.90 (90%) and divided by the power factor.

FUEL ADJUSTMENT CLAUSE:

This rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesaler power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

SPECIAL PROVISIONS:

- 1. Delivery Point - If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 04 1997

PURSUANT TO 807 KAR 5:011

DATE OF ISSUE: June 11, 1997

EFFECTIVE DATE: June 4, 1997

SUED BY: Dudley Patton, Jr.
Name of Officer

President & General Manager
Title

BY: Stephano BCU
SECRETARY OF THE COMMISSION
Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedules

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 28
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

CLASSIFICATION OF SERVICE

LARGE INDUSTRIAL RATE - SCHEDULE C1

RATE
PER UNIT

SPECIAL PROVISIONS (continued):

All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be owned and maintained by the consumer.

- If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.

TERMS OF PAYMENT:

The above rates are net; the gross rates are 5% 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.

TEMPORARY SERVICE:

Consumers requiring temporary service under this rate schedule may be required to pay all costs of connecting and disconnecting incidental to the supplying and service. In addition to this, a deposit will be required to cover estimated consumption of electricity. Both fees will be paid in advance.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 04 1997

PURSUANT TO 807 KAR 5:011,
SECTION 8(1)

BY: Stephan Bui

SECRETARY OF THE COMMISSION

DATE OF ISSUE: June 11, 1997

EFFECTIVE DATE: June 4, 1997

SUED BY:

Stephan Bui
Name of Officer

President & General Manager

Title

Shelbyville, KY 40065

Address

Issued by authority of an Order of the Public Service Commission of Kentucky in

Case No. _____

Dated _____

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
6th Revised Sheet No. 29

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

Cancelling P.S.C. No. 5
5th Revised Sheet No. 29

CLASSIFICATION OF SERVICE

LARGE INDUSTRIAL RATE - SCHEDULE C2

Rate
Per Unit

AVAILABILITY:

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 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.

MONTHLY RATE:

Consumer Charge	\$	1,179.75	
Demand Charge per KW of Billing Demand	\$	5.94	
Energy Charge per kWh	\$	0.05119	(1)

BILLING DEMAND:

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 July 21, 2009

DATE EFFECTIVE: August 1, 2009

ISSUED BY *Debbie Martin*
Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky

Case No. 2008-00536

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

8/1/2009
PURSUANT TO 807 KAR 5:011
Dated July 15, 2009
SECTION 1

By *J. D. Brown*
Executive Director

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 30
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

 Name of Issuing Corporation

CLASSIFICATION OF SERVICE	PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE
LARGE INDUSTRIAL RATE SCHEDULE C2	RATE PER UNIT JUN 04 1997
<p><u>MINIMUM MONTHLY CHARGE:</u></p> <p>The minimum monthly charge shall not be less than the sum of (a) and (b) below:</p> <p>(a) The product of the billing demand multiplied by the demand charge, plus (b) The product of the billing demand multiplied by 400 hours and the energy charge per kWh.</p> <p><u>POWER FACTOR ADJUSTMENT:</u></p> <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, multiplied by 0.90 (90%) and divided by the power factor.</p> <p><u>FUEL ADJUSTMENT CLAUSE:</u></p> <p>This rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesaler power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.</p> <p><u>SPECIAL PROVISIONS:</u></p> <p>1. <u>Delivery Point</u> - If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service.</p>	<p>PURSUANT TO 807 KAR 5:011, SECTION 9 (1)</p> <p>BY: <u>Stephan D. Bell</u> SECRETARY OF THE COMMISSION</p>

DATE OF ISSUE: June 11, 1997 EFFECTIVE DATE: June 4, 1997

SUED BY: Dudley Bottoms, Jr. President & General Manager Shelbyville, KY 40065
 Name of Officer Title Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedules

FOR All Territory Served
Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 31
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

 Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
LARGE INDUSTRIAL RATE - SCHEDULE C2	RATE PER UNIT
<p><u>SPECIAL PROVISIONS (continued):</u></p> <p>All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be owned and maintained by the consumer.</p> <p>2. If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.</p>	
<p><u>TERMS OF PAYMENT:</u></p> <p>The above rates are net; the gross rates are 5% 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><u>TEMPORARY SERVICE:</u></p> <p>Consumers requiring temporary service under this rate schedule may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover estimated consumption of electricity. Both fees will be paid in advance.</p>	

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE
 JUN 04 1997
 PURSUANT TO 807 KAR 5:011
 SECTION 9(1)
 BY: Stephan D. Bell
 SECRETARY OF THE COMMISSION

DATE OF ISSUE: June 11, 1997 EFFECTIVE DATE: June 4, 1997
 SUEB BY: *Dudley Bottom, Jr.* President & General Manager Shelbyville, KY 40065
 Name of Officer Title Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
6th Revised Sheet No. 32

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

Cancelling P.S.C. No. 5
5th 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	\$	3,288.73	
Transformer Size of 15,000 kVa and greater	\$	5,220.04	
Demand Charge per kW	\$	5.94	
Energy Charge per kWh	\$	0.05008	(1)

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.

DATE OF ISSUE July 21, 2009

DATE EFFECTIVE: August 1, 2009

ISSUED BY [Signature]
Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in

Case No. 2008-00536

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

8/1/2009
PURSUANT TO 807 KAR 5:011

Dated July 16, 2009

By [Signature]
Executive Director

Form for filing Rate Schedule _____

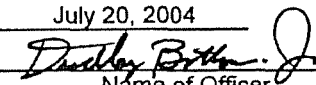
FOR All Territory Served
Community, Town or City

P.S.C. No. 5
3rd Revised Sheet No. 33

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

Canceling P.S.C. No. 5
2nd Revised Sheet No. 33

CLASSIFICATION OF SERVICE	
LARGE INDUSTRIAL RATE SCHEDULE C3	Rate Per Unit
<u>MINIMUM MONTHLY CHARGE:</u>	
The minimum monthly charge shall not be less than the sum of (a) through (d) below:	T
(a) Consumer Charge	T
(b) The product of the contract demand multiplied by the contract demand charge.	T
(c) The product of the contract demand multiplied by 400 hours and the energy charge per kWh minus the fuel base per kWh.	T
(d) Contract provisions that reflect special facilities requirements	T
<u>POWER FACTOR ADJUSTMENT:</u>	
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 this billing demand is less than 0.90 (90%), the demand for the billing purposes shall be the demand as indicated or recorded, multiplied by 0.90 (90%) and divided by the power factor.	
<u>FUEL ADJUSTMENT CLAUSE:</u>	
This rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056	

DATE OF ISSUE July 20, 2004
ISSUED BY 
Name of Officer
Issued by authority of an Order of the Public Service Commission of Kentucky
Case No. 2004-00195

DATE EFFECTIVE 7/9/2004
PUBLIC SERVICE COMMISSION
OF KENTUCKY
President & CEO
EFFECTIVE
7/9/2004
Dated 8-Jul-04
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By 
Executive Director

FOR All Territory Served
Community, Town or City
P.S.C. No. 5
Original SHEET NO. 34
CANCELLING P.S.C. NO. _____
SHEET NO. _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

JUN 04 1997

Name of Issuing Corporation

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Stephan Bui
CLASSIFICATION OF SERVICE

LARGE INDUSTRIAL RATE - SCHEDULE C3 RATE PER UNIT

SPECIAL PROVISIONS (continued):

All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be owned and maintained by the consumer.

- 2. If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer.

TERMS OF PAYMENT:

The above rates are net; the gross rates are 5% 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.

TEMPORARY SERVICE:

Consumers requiring temporary service under this rate schedule may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover estimated consumption of electricity. Both fees will be paid in advance.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 04 1997

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Stephan Bui

SECRETARY OF THE COMMISSION
June 4, 1997

DATE OF ISSUE: June 11, 1997

EFFECTIVE DATE: June 4, 1997

SUED BY:

Dudley Bottom Jr.
Name of Officer

President & General Manager

Title

Shelbyville, KY 40065

Address

Issued by authority of an Order of the Public Service Commission of Kentucky in

Case No. _____

Dated _____

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 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="5">ANNUAL HOURS OF INTERRUPTION</th> </tr> <tr> <th>NOTICE MINUTES</th> <th>200</th> <th>300</th> <th>400</th> <th></th> </tr> </thead> <tbody> <tr> <td>10</td> <td>\$4.20</td> <td>\$4.90</td> <td>\$5.60</td> <td>(1)</td> </tr> <tr> <td>60</td> <td>\$3.50</td> <td>\$4.20</td> <td>\$4.90</td> <td>(1)</td> </tr> </tbody> </table>	ANNUAL HOURS OF INTERRUPTION					NOTICE MINUTES	200	300	400		10	\$4.20	\$4.90	\$5.60	(1)	60	\$3.50	\$4.20	\$4.90	(1)	
ANNUAL HOURS OF INTERRUPTION																					
NOTICE MINUTES	200	300	400																		
10	\$4.20	\$4.90	\$5.60	(1)																	
60	\$3.50	\$4.20	\$4.90	(1)																	

DATE OF ISSUE March 26, 2009

DATE EFFECTIVE April 1, 2009

ISSUED BY *Debbie Martin*
Name of Officer

TITLE President & CEO

Issued by authority of an Order of the Public Service Commission of Kentucky, In Pursuant to 807 KAR 5:011
Case No. 2008-00423 Dated March 31, 2009

By *W. D. Green*
Executive Director

FOR All Territory Served
Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 36
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

CLASSIFICATION OF SERVICE

INTERRUPTIBLE SERVICE	RATE PER UNIT						
<p><u>Determination of Measured Load - Billing Demand</u></p> <p>The monthly billing demand shall be the highest average rate at which energy is used during any fifteen consecutive minute period during the below listed hours:</p> <table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: center;"><u>MONTHS</u></th> <th style="text-align: center;"><u>HOURS APPLICABLE FOR DEMAND BILLING - E. S. T.</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">October through April</td> <td style="text-align: center;">7:00 a.m. to 12:00 noon 5:00 p.m. to 10:00 p.m.</td> </tr> <tr> <td style="text-align: center;">May through September</td> <td style="text-align: center;">10:00 a.m. to 10:00 p.m.</td> </tr> </tbody> </table> <p>The interruptible billing demand shall be equal to the amount by which the monthly billing demand exceeds the minimum billing demand as specified in the contract.</p> <p><u>Conditions of Service for Member Contract</u></p> <ol style="list-style-type: none"> 1. The member will, upon notification by the Cooperative, reduce his/her load being supplied by the Cooperative to the minimum billing demand specified by the contract. 2. The Cooperative will endeavor to provide the member with as much advance notice as possible of the interruption of service. However, the member shall interrupt service within the notice period as contracted. 3. Service will be furnished under the Cooperative's "Rules and Regulations" except as set out herein and/or provisions agreed to by written contract. 		<u>MONTHS</u>	<u>HOURS APPLICABLE FOR DEMAND BILLING - E. S. T.</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.
<u>MONTHS</u>	<u>HOURS APPLICABLE FOR DEMAND BILLING - E. S. T.</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.						

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE

JUN 04 1997

PURSUANT TO 807 KAR 5.011,
 SECTION 9(1)

BY: Stephan Bui
 SECRETARY OF THE COMMISSION

DATE OF ISSUE: June 11, 1997

EFFECTIVE DATE: June 4, 1997

SUED BY: Dudley Bitton, Jr.
 Name of Officer

President & General Manager
 Title

Shelbyville, KY 40065
 Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 37
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

 Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
INTERRUPTIBLE SERVICE	RATE PER UNIT
<p><u>Conditions of Service for Member Contract (con't)</u></p> <p>4. No responsibility of any kind shall attach the Cooperative for, or on account of, any loss or damage caused by, or resulting from, any interruption or curtailment of this service.</p> <p>5. The Member shall own, operate, and maintain all necessary equipment for receiving electric energy and all telemetering and communications equipment, within the Member's premises, required for interruptible service.</p> <p>6. The minimum original contract period shall be <u>one year</u> and thereafter until terminated by giving at least six months previous written notice. The Cooperative may require a contract be executed for a longer initial term when deemed necessary by the size of the load and other conditions.</p> <p>7. The Fuel Adjustment Clause, as specified in the prevailing rate schedule is applicable.</p> <p>8. Any transformers required in excess of those used for regular firm power shall be owned and maintained by the member.</p> <p><u>Calculation of Monthly Bill</u></p> <p>The monthly bill is calculated on the following basis:</p> <p>A. Sum of customer charge, plus</p> <p>B. Minimum billing demand in kW multiplied by the firm capacity rate, plus</p> <p>C. Interruptible billing demand in kW multiplied by interruptible rate, plus</p>	

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE
 JUN 04 1997
 PURSUANT TO 807 KAR 5011,
 SECTION 8 (1)
 BY: Stephan D. Bell
 SECRETARY OF THE COMMISSION

DATE OF ISSUE: June 11, 1997 EFFECTIVE DATE: June 4, 1997
 ISSUED BY: Dudley Patton Jr. President & General Manager Shelbyville, KY 40065
 Name of Officer Title Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

FOR All Territory Served
Community, Town or City
 P.S.C. No. 5
 1st Revised SHEET NO. 38
 CANCELLING P.S.C. NO. 5
 Original SHEET NO. 38

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
INTERRUPTIBLE SERVICE	RATE PER UNIT
<p><u>Calculation of Monthly Bill (con't)</u></p> <p>D. Energy in kWh multiplied by the energy rate.</p> <p><u>Number and Duration of Interruptions</u></p> <p>A. Winter Season: There shall be no more than two (2) interruptions during any 24 hour calendar day. No interruption shall last more than six hours. (T)</p> <p>B. Summer Season: There shall be no more than one (1) interruption during any 24 hour calendar day. No interruption shall last more than twelve hours. (T)</p> <p>C. The maximum number of annual hours of interruption shall be in accordance with the member contracted level of interruptible service.</p> <p><u>Charge for Failure to Interrupt</u></p> <p>If Member fails to interrupt load as requested by the Cooperative, the Cooperative shall bill the uninterrupted load at a rate equal to five (5) times the applicable firm power demand charge for that billing month. Uninterrupted load is equal to actual load during requested interruption minus minimum billing demand.</p>	
<p>PUBLIC SERVICE COMMISSION OF KENTUCKY EXECUTIVE</p> <p>NOV 13 2000</p> <p>PURSUANT TO KRS 267.001, 267.002, 267.003, 267.004, 267.005, 267.006, 267.007, 267.008, 267.009, 267.010, 267.011, 267.012, 267.013, 267.014, 267.015, 267.016, 267.017, 267.018, 267.019, 267.020, 267.021, 267.022, 267.023, 267.024, 267.025, 267.026, 267.027, 267.028, 267.029, 267.030, 267.031, 267.032, 267.033, 267.034, 267.035, 267.036, 267.037, 267.038, 267.039, 267.040, 267.041, 267.042, 267.043, 267.044, 267.045, 267.046, 267.047, 267.048, 267.049, 267.050, 267.051, 267.052, 267.053, 267.054, 267.055, 267.056, 267.057, 267.058, 267.059, 267.060, 267.061, 267.062, 267.063, 267.064, 267.065, 267.066, 267.067, 267.068, 267.069, 267.070, 267.071, 267.072, 267.073, 267.074, 267.075, 267.076, 267.077, 267.078, 267.079, 267.080, 267.081, 267.082, 267.083, 267.084, 267.085, 267.086, 267.087, 267.088, 267.089, 267.090, 267.091, 267.092, 267.093, 267.094, 267.095, 267.096, 267.097, 267.098, 267.099, 267.100</p>	

DATE OF ISSUE: October 13, 2000

EFFECTIVE DATE: November 13, 2000

ISSUED BY: Dudley Patton Jr.
 Name of Officer

President & CEO
 Title

Shelbyville, KY 40065
 Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
9th Revised Sheet No. 39

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

Cancelling P.S.C. NO. 5
8th Revised Sheet No. 39

CLASSIFICATION OF SERVICE		Rate Per Unit
OPTIONAL T-O-D DEMAND - RATE 22		
<u>AVAILABILITY:</u> 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.		
<u>TYPES OF SERVICE:</u> Three -phase, 60 Hertz, available at Sellers's standard voltage		
<u>RATE:</u>		
<u>Consumer Charge</u> \$44.14		
<u>Demand Charge</u> \$4.97 per month per KW of billing demand		
<u>Energy Charge</u>		
First	100 kWh per KW demand \$ 0.07676 per kWh	(1)
Next	100 kWh per KW demand \$ 0.07061 per kWh	(1)
All Over	200 kWh per KW demand \$ 0.06448 per kWh	(1)

DATE OF ISSUE July 21, 2009

DATE EFFECTIVE: August 1, 2009

ISSUED BY *Dennis Martin*
Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in

Case No. 2008-00536

TITLE President & CEO
PUBLIC SERVICE COMMISSION
OF KENTUCKY
 EFFECTIVE
 Dated 8/1/2009
July 18, 2009
 PURSUANT TO 807 KAR 5:011
 SECTION 9 (1)
 By *J. D. Brown*
 Executive Director

Form for filing Rate Schedules

FOR All Territory Served
Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 40
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

 Name of Issuing Corporation

CLASSIFICATION OF SERVICE		RATE PER UNIT									
OPTIONAL T-O-D DEMAND - RATE 22											
<p><u>DETERMINATION OF BILLING DEMAND:</u></p> <p>The billing demand shall be the maximum kilowatt demand established by the consumer during any fifteen-minute interval in the below listed hours for each month and adjusted for power factor as provided herein:</p> <table border="0"> <tr> <td style="text-align: center;"><u>Months</u></td> <td style="text-align: center;"><u>Hours Applicable for Demand Billing - EST</u></td> <td rowspan="4" style="vertical-align: middle; text-align: center;"> PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE JUN 04 1997 PURSUANT TO 807 KAR 5:011, SECTION 9 (1) BY: <u>Stephan D. Bell</u> SECRETARY OF THE COMMISSION </td> </tr> <tr> <td>October through April</td> <td>7:00 A.M. to 12:00 Noon 5:00 P.M. to 10:00 P.M.</td> </tr> <tr> <td>May through September</td> <td>10:00 A.M. to 10:00 P.M.</td> </tr> <tr> <td colspan="2"><u>POWER FACTOR ADJUSTMENT:</u></td> </tr> </table> <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 maximum billing 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> <p><u>FUEL ADJUSTMENT CLAUSE:</u></p> <p>This rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.</p>		<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>	PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE JUN 04 1997 PURSUANT TO 807 KAR 5:011, SECTION 9 (1) BY: <u>Stephan D. Bell</u> SECRETARY OF THE COMMISSION	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.	<u>POWER FACTOR ADJUSTMENT:</u>		
<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>	PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE JUN 04 1997 PURSUANT TO 807 KAR 5:011, SECTION 9 (1) BY: <u>Stephan D. Bell</u> SECRETARY OF THE COMMISSION									
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.										
<u>POWER FACTOR ADJUSTMENT:</u>											

DATE OF ISSUE: June 11, 1997 EFFECTIVE DATE: June 4, 1997
 SUED BY: Dudley Bottom, Jr. President & General Manager Shelbyville, KY 40065
 Name of Officer Title Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedules

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
 Original SHEET NO. 41
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

 Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
OPTIONAL T-O-D DEMAND - RATE 22	RATE PER UNIT
<p><u>MINIMUM MONTHLY CHARGE:</u></p> <p>The minimum monthly charge shall be the highest one of the following charges as determined for the consumer in question:</p> <ol style="list-style-type: none"> The minimum monthly charge specified in the contract for services. The charge of \$1.00 per KVA of installed transformer capacity. <p><u>SPECIAL PROVISIONS:</u></p> <ol style="list-style-type: none"> <u>Delivery Point</u> - If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be owned and maintained by the consumer. If service is furnished at Seller's primary line voltage, the delivery point shall be the point of attachment of Seller's primary line to consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment (excepting metering equipment) on the load side of the delivery point shall be owned and maintained by the consumer. <u>Primary Service</u> - If service is furnished at primary distribution voltage, a discount of five percent (5%) shall apply to the demand and energy charges. The Seller shall have the option of metering at secondary voltage. 	

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE
 JUN 04 1997
 PURSUANT TO 807 KAR 5.011,
 SECTION 9(1)
 BY: Stephan O Bell
 SECRETARY OF THE COMMISSION

DATE OF ISSUE: June 11, 1997 EFFECTIVE DATE: June 4, 1997
 SUEB BY: *David Bolton Jr* President & General Manager Shelbyville, KY 40065
 Name of Officer Title Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedules

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 42
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
OPTIONAL T-O-D DEMAND - RATE 22	RATE PER UNIT
<p><u>SPECIAL PROVISIONS:</u></p> <p>4. <u>Contract</u> - An "Agreement for Purchase of Power" shall be executed by the consumer for service under this rate schedule.</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><u>SPECIAL RULES:</u></p> <p>Motors having a rated capacity in excess of ten horsepower (10 HP) must be three-phase. Motors in excess of five horsepower (5 HP) shall be provided with compensating starting equipment acceptable to the Seller.</p> <p><u>TEMPORARY SERVICE:</u></p> <p>Consumers requiring temporary service under this rate schedule may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover estimated consumption of electricity. Both fees will be paid in advance.</p>	
<p>PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE JUN 04 1997 PURSUANT TO 807 KAR 5:011. SECTION 9 (1) BY: <u>Stephan B. Bell</u> SECRETARY OF THE COMMISSION</p>	

DATE OF ISSUE: June 11, 1997

EFFECTIVE DATE: June 4, 1997

SUED BY:

Dudley Bolton, Jr.
 Name of Officer

President & General Manager
 Title

Shelbyville, KY 40065
 Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
6th Revised Sheet No. 43

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

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

CLASSIFICATION OF SERVICE		Rate Per Unit
OPTIONAL RESIDENTIAL, CHURCH & SCHOOL SERVICE - RATE 10		
<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	\$ 12.52	
2. Three Phase Service	32.56	
Energy Charge per kWh	\$ 0.07934	(1)
<u>MINIMUM MONTHLY CHARGE:</u> The minimum monthly charge for this rate schedule shall be \$12.52 for single phase service and \$32.56 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 July 21, 2009

DATE EFFECTIVE: August 1, 2009

ISSUED BY *Dellie Martin*
Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky In

Case No. 2008-00536

TITLE President & CEO
PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
8/1/2009
PURSUANT TO 807 KAR 5:011
Dated July 15, 2009
SECTION 9 (1)
By *J. D. Brown*
Executive Director

Form for filing Rate Schedules

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 44
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
OPTIONAL RESIDENTIAL, CHURCH & SCHOOL SERVICE - RATE 10	RATE PER UNIT
<p><u>SPECIAL PROVISIONS (continued):</u></p> <ol style="list-style-type: none"> 2. Utility may connect to the non-tariff side of the telephone service, if available. Such connection will be used for automated meter reading, data acquisition and load control and would be based on industry standard practices to reduce consumer inconvenience. 3. Utility may audit consumer heating system and consumer must make provisions to limit the resistance heating capacity to an amount that will provide proper heating performance. Such limitation will be by sizing the capacity of individual heating units or staging multiple units. <p><u>TERMS OF PAYMENT:</u></p> <p>The above rates are net; the gross rates are 10% higher. In event the current monthly bill is not paid by the due date as shown on the bill, the gross rates shall apply.</p> <p><u>FUEL ADJUSTMENT CLAUSE:</u></p> <p>This rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. The Fuel Adjustment Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.</p>	
PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE JUN 04 1997 PURSUANT TO 807 KAR 5:011, SECTION 9 (1) BY: <u>Stephan O. Bell</u> SECRETARY OF THE COMMISSION	

DATE OF ISSUE: June 11, 1997 EFFECTIVE DATE: June 4, 1997
 ISSUED BY: *Davidly Britton Jr.* President & General Manager Shelbyville, KY 40065
 Name of Officer Title Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 45
 CANCELLING P.S.C. NO. _____
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

 Name of Issuing Corporation

CLASSIFICATION OF SERVICE

OPTIONAL RESIDENTIAL, CHURCH & SCHOOL SERVICE - RATE 10

RATE
PER UNIT

SPECIAL RULES:

Motors having a rated capacity in excess of ten horse power (10 HP) must be three-phase. Motors in excess of five horsepower (5 HP) shall be provided with compensating starting equipment acceptable to the Seller.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 04 1997

PURSUANT TO 807 KAR 5:011,
SECTION 9(1)

BY: Stephan Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE: June 11, 1997

EFFECTIVE DATE: June 4, 1997


ISSUED BY: Dudley Bittow, Jr.
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Issued by authority of an Order of the Public Service Commission of Kentucky In
 Case No. _____ Dated _____



**Shelby Energy
Cooperative, Inc.**
Your Touchstone Energy® Partner 

August 12, 2008

Average Underground Cost Differential

(Filed in compliance with 807 KAR 5:041 Section 21 (5))

Average cost differential – individual single phase underground primary:

Average cost, individual single phase underground primary = **\$24.03 per foot**
 Average cost, individual single phase overhead primary = **\$ 9.96 per foot**

Average cost differential = \$ 14.07 per foot*

Customer to trench, furnish and install all conduit and fittings and back-fill trench per Cooperative's specifications. Cooperative will in turn, complete the installation and credit the Customer \$6.98 per foot against the Cooperative's differential cost for the Customer's contribution in kind: \$14.07 - \$6.98 = **\$7.09 per foot***.

Average cost differential—individual single phase underground service:


Average cost, individual single phase underground service = **\$17.25 per foot**
 Average cost, individual single phase overhead service = **\$13.11 per foot**

Average cost differential = \$ 4.14 per foot*

Customer to trench, furnish and install all conduit and fittings and back-fill trench per the Cooperative's specifications. The Cooperative in consideration of the Customer's contribution in-kind will complete the underground service installation at: **No Charge***. If the Customer desires underground residential service and is unable to perform the aforementioned, the Cooperative will contract to do this work for the Customer on an individual basis and will charge accordingly.

***Note:** The above underground construction costs **do not** include rock excavation and removal or other procedures which may be taken to assure proper burial depth of underground duct and cable systems. If rock is encountered or other procedures are deemed necessary to ensure proper burial depth and/or compliance with applicable codes, the actual additional cost shall apply.

PUBLIC SERVICE COMMISSION
 COMMONWEALTH OF KENTUCKY
 EFFECTIVE
 8/12/2008
 PURSUANT TO 807 KAR 5:011
 SECTION 9 (1)

By 
 Executive Director

Shelby Energy Cooperative, Inc. 2007 Single Phase Underground Construction Costs Analysis

August 12, 2008

	Unit Cost	Ftg. or No.	Ext. Cost
Single Phase Underground Primary (from Work Orders)		16,863	\$248,419.02
Conduit (Material)	1.77	16,863	29,847.51
Conduit (Labor)	1.13	16,863	19,055.19
Trenching/Back-fill	3.86	16,863	65,091.18
Ells, fittings, misc material	38.00	168	6,384.00
Average Xfmr differential	552.50	66	36,465.00
Totals		16,863	\$405,261.90
Total Average Cost per Foot, Single Phase Underground Primary			\$24.03
Less Average Cost per Foot, Overhead Single Phase Primary			9.96
Average Single Phase Underground Primary Differential Cost per Foot			\$14.07

Single Phase Underground Residential Service (from Work Orders)		24,737	289,615.26
Conduit (Material)	0.87	24,737	21,521.19
Conduit (Labor)	0.87	24,737	21,521.19
Trenching/Back-fill	3.50	24,737	86,579.50
Ells, fittings, misc. material	30.00	250	7,500.00
Totals		24,737	426,737.14
Total Average Cost per Foot, Underground Residential Service			\$17.25
Less Average Cost per Foot, Overhead Residential Service			13.11
Average Residential Underground Service Differential Cost per Foot			\$4.14

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE
 9/12/2008
 PURSUANT TO 807 KAR 5:011
 SECTION 9 (1)

By 
 Executive Director

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
 Original SHEET NO. 46
 CANCELLING P.S.C. NO. 5
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

CLASSIFICATION OF SERVICE

CABLE TELEVISION ATTACHMENT - RATE 5

**RATE
PER UNIT**

APPLICABILITY:

In all territory served by the company on poles owned and used by the company for their electric plant.

AVAILABILITY:

To all qualified CATV operators having the right to receive service.

RENTAL CHARGE:

The yearly rental charges shall be as follows:

Two-party pole attachment

~~\$1.95~~ ^{\$} 5.42 (I)

Three-party pole attachment

~~\$1.68~~ 4.63 (I)

Two-party anchor attachment

~~\$1.59~~ 7.02 (F)

Three party anchor attachment

~~\$1.06~~ 4.63 (I)

Two-party grounding attachment

~~\$0.44~~ 0.24 (R)

Three-party grounding attachment

~~\$0.27~~ 0.15 (R)

Pedestal attachment = Same as respective pole charges.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JUN 04 1997

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE: September 19, 1997

EFFECTIVE DATE: June 4, 1997

SUED BY: Dudley Burton, Jr.
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Issued by authority of an Order of the Public Service Commission of Kentucky in

Case No. _____

Dated _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

FOR All Territory Served
Community, Town or City
P.S.C. No. 5
Original SHEET NO. 47
CANCELLING P.S.C. NO. 5
SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

JUN 04 1997

Name of Issuing Corporation

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

CLASSIFICATION OF SERVICE

CABLE TELEVISION ATTACHMENT - RATE 5	RATE PER UNIT
<p>BILLING:</p> <p>Rental charges shall be billed yearly based on the number of pole attachments. The rental charges are net, the gross being ten percent (10%) higher. In the event the current bill is not paid within ten (10) days from the date of the bill, the gross shall apply.</p> <p>NOTE: Discount or penalty must apply to all electric customers, but shall apply to advance billing only if given at least thirty (30) days before the late penalty takes effect.</p> <p>SPECIFICATIONS:</p> <p>A. The attachment to poles covered by this tariff shall at all times conform to the requirements of the National Electrical Safety Code, 1981 Edition, and subsequent revisions thereof, except where the lawful requirements of public authorities may be more stringent, in which case the latter will govern.</p> <p>B. The strength of poles covered by this agreement shall be sufficient to withstand the transverse and vertical load imposed upon them under the storm loading of the National Electrical Safety Code assumed for the area in which they are located.</p> <p>ESTABLISHING POLE USE:</p> <p>A. Before the CATV operator shall make use of any of the poles of the Cooperative under this tariff, they shall notify the Cooperative of their intent in writing and shall comply with the procedures established by the Cooperative. The CATV operator shall furnish the Cooperative detailed construction plans and drawings for each pole line, together with necessary maps, indicating specifically the poles of the Cooperative, the number and character of the attachments to be placed on such poles, and rearrangements of the Cooperative's fixtures and equipment necessary for the attachment, any relocation or replacements of existing poles, and any additional poles that CATV intends to install.</p>	

DATE OF ISSUE: September 19, 1997

EFFECTIVE DATE: June 4, 1997

SUED BY: Dudley Bottom Jr.
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. _____ Dated _____

Form for filing Rate Schedules

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

FOR All Territory Served
Community, Town or City
P.S.C. No. 5
Original SHEET NO. 48
CANCELLING P.S.C. NO. 5
SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

JUN 04 1997

Name of Issuing Corporation

PURSUANT TO 807 KAR 5011,
SECTION 9(1)

BY: Stephen O. Butler
SECRETARY OF THE COMMISSION

CLASSIFICATION OF SERVICE

CABLE TELEVISION ATTACHMENT - RATE 5	RATE PER UNIT
<p><u>ESTABLISHING POLE USE:</u> (continued)</p> <p>The Cooperative shall, on the basis of such detailed construction plans and drawings, submit to the CATV operator a cost estimate (including overhead and less salvage value of materials) of all changes that may be required in each such pole line. Upon written notice by CATV operator to the Cooperative that the cost estimate is approved, the Cooperative shall proceed with the necessary changes in pole lines covered by cost estimate. Upon completion of all changes, the CATV operator shall have the right hereunder to make attachments in accordance with the terms of the application of this tariff. The CATV operator shall, at his own expense, make attachments in such manner as not to interfere with the service of the Cooperative.</p> <p>B. Upon completion of all changes, the CATV operator shall pay to the Cooperative the actual cost (including overhead and less salvage value of materials) of making such changes. The obligation of the CATV operator hereunder shall not be limited to amounts shown on estimates made by the Cooperative hereunder. An itemized statement of the actual cost of all such changes shall be submitted by the Cooperative to the CATV operator in a form mutually agreed upon.</p> <p>C. Any reclearing of existing rights-of-way and any tree trimming necessary for the establishment of pole line attachments hereunder shall be performed by the CATV operator.</p> <p>D. All poles to which attachments have been made under this tariff shall remain the property of the Cooperative, and any payments made by the CATV operator for changes in pole line under this tariff shall not entitle the CATV operator to the ownership of any of said poles.</p>	

DATE OF ISSUE: September 19, 1997

EFFECTIVE DATE: June 4, 1997

SUED BY: Dudley Bottom
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. _____ Dated _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

FOR All Territory Served
Community, Town or City
P.S.C. No. 5
Original SHEET NO. 49
CANCELLING P.S.C. NO. 5
SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

JUN 04 1997

Name of Issuing Corporation

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

~~CLASSIFICATION OF SERVICE~~
BY Stephen D. Bell
SECRETARY OF THE COMMISSION

CABLE TELEVISION ATTACHMENT - RATE 5	RATE PER UNIT
<p><u>ESTABLISHING POLE USE:</u> (continued)</p> <p>E. Any charges necessary for correction of substandard installation made by the the CATV operator, where notice of intent had not been requested, shall be billed at rate equal to twice the charges that would have been imposed if the attachment had been properly authorized.</p> <p><u>EASEMENTS AND RIGHTS-OF-WAY:</u></p> <p>A. The Cooperative does not warrant nor assure to the CATV operator any rights-of-way privileges or easements, and if the CATV operator shall at any time be prevented from placing or maintaining its attachments on the Cooperative's poles, no liability on account thereof shall attach to the Cooperative. Each party shall be responsible for obtaining its own easements and rights-of-way.</p> <p><u>MAINTENANCE OF POLES, ATTACHMENTS AND OPERATION:</u></p> <p>A. Whenever right-of-way considerations or public regulations make relocation of a pole, or poles necessary, such relocation shall be made by the Cooperative at its own expense, except that each party shall bear the cost of transferring its own attachments.</p> <p>B. Whenever it is necessary to replace or relocate an attachment, the Cooperative shall, before making such replacement or relocation, give forty-eight (48) hours notice (except in cases of emergency) to the CATV operator, specifying in said notice the time of such proposed replacement or relocation, and the CATV operator shall, at the time so specified, transfer its attachments to the new or relocated pole. Should the CATV operator fail to transfer its attachments to the new or relocated pole at the time specified for such transfer of attachments, the Cooperative may elect to do such work and the CATV operator shall pay the Cooperative the cost thereof.</p>	

DATE OF ISSUE: September 19, 1997

EFFECTIVE DATE: June 4, 1997

ISSUED BY: *Dudley Bolton Jr.*
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. _____ Dated _____

FOR All Territory Served
Community, Town or City
P.S.C. No. 5
Original SHEET NO. 50
CANCELLING P.S.C. NO. 5
SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

JUN 04 1997

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

Name of Issuing Corporation

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

CLASSIFICATION OF SERVICE

CABLE TELEVISION ATTACHMENT - RATE 5

RATE
PER UNIT

MAINTENANCE OF POLES, ATTACHMENTS AND OPERATION: (continued)

C. Any existing attachment of CATV which does not conform to the specifications as set out in this tariff hereof shall be brought into conformity therewith as soon as practical. The Cooperative, because of the importance of its service, reserves the right to inspect each new installation of the CATV operator on its poles and in the vicinity of its lines or appurtenances. Such inspection, made or not, shall not operate to relieve the CATV operator of any responsibility, obligation or liability assumed under the tariff.

D. The Cooperative reserves to itself, its successor and assigns, the right to maintain its poles and to operate its facilities thereon in such manner as will, in its own judgment, best enable it to fulfill its own service requirements. The Cooperative shall not be liable to the CATV operator for any interruption of service of CATV operator or for interference with the operation of the cables, wires and appliances of the CATV operator arising in any manner out of the use of the Cooperative's poles hereunder.

The Cooperative shall exercise reasonable care to avoid damaging the facilities of the CATV operator, make an immediate report to the CATV operator of the occurrence of any such damage caused by its employees, agents or contractors, and, except for removal for non-payment or for failure to post or maintain the required "Performance Bond", agrees to reimburse the CATV operator for all reasonable cost incurred by the CATV operator for the physical repair of facilities damaged by the negligence of the Cooperative.

INSPECTIONS:

A. Periodic Inspections: Any unauthorized or unreported attachment by CATV operator will be billed at a rate of two times the amount equal to the rate that would have been due, had the installation been made the day after the last previously required inspection.

DATE OF ISSUE: September 19, 1997

EFFECTIVE DATE: June 4, 1997

SUED BY: *Stephan D. Bell*
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. _____ Dated _____

Form for filing Rate Schedules

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

FOR All Territory Served
Community, Town or City
P.S.C. No. 5
Original SHEET NO. 51
CANCELLING P.S.C. NO. 5
SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

JUN 04 1997

Name of Issuing Corporation

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

CLASSIFICATION OF SERVICE

CABLE TELEVISION ATTACHMENT - RATE 5	RATE PER UNIT
<p><u>INSPECTIONS:</u> (continued)</p> <p>B. <u>Make-Ready Inspection:</u> Any "make-ready" inspection or "walk-through" inspection required of the Cooperative will be paid for by the CATV operator at a rate equal to the Cooperative's actual expenses, plus appropriate overhead charges.</p> <p><u>INSURANCE OR BOND:</u></p> <p>A. The CATV operator agrees to defend, indemnify and save harmless the Cooperative from any and all damage, loss, claim, demand, suit, liability, penalty or forfeiture of every kind and nature, including, but not limited to, costs and expenses of defending against the same and payment of any settlement or judgment therefor, by reason of (a) injuries or deaths to persons, (b) damages to or destruction of properties, (c) pollutions, contaminations of or other adverse effects on the environment or (d) violations of governmental laws, regulations or orders whether suffered directly by the Cooperative itself, or indirectly by reason of claims, demands or suits against it by third parties, resulting or alleged to have resulted from acts or omissions of the CATV operator, its employees, agents, or other representatives or from their presence on the premises of the Cooperative, either solely or in concurrence with any alleged joint negligence of the Cooperative. The Cooperative shall be liable for sole active negligence.</p> <p>B. The CATV operator will provide coverage from a company authorized to do business in the Commonwealth of Kentucky:</p> <ol style="list-style-type: none"> 1. Protection for its employees to the extent required by Workmen's Compensation Law of Kentucky. 2. Public liability coverage with separate coverage for each town or city in which the CATV operator operates under this contract to a minimum 	

DATE OF ISSUE: September 19, 1997

EFFECTIVE DATE: June 4, 1997

SUED BY: 
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. _____ Dated _____

FOR All Territory Served
Community, Town or City
P.S.C. No. 5
Original SHEET NO. 52
CANCELLING P.S.C. NO. 5
SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

JUN 04 1997

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)

Name of Issuing Corporation

BY: Stephan B. Bell

SECRETARY OF THE COMMISSION

CLASSIFICATION OF SERVICE

CABLE TELEVISION ATTACHMENT - RATE 5	RATE PER UNIT
<p><u>INSURANCE OR BOND:</u> (continued)</p> <p>amount of \$100,000.00 for each person and \$300,000.00 for each accident or personal injury or death, and \$25,000.00 as to the property of any one person, and \$100,000.00 as to any one accident of property damage.</p> <p>Before beginning operations under this tariff, the CATV operator shall cause to be furnished to the Cooperative a certificate for such coverage, evidencing the existence of such coverage. Each policy required hereunder shall contain a contractual endorsement written as follows:</p> <p>“The insurance or bond provided herein shall also be for the benefit of Shelby Energy Cooperative, Inc., so as to guarantee, within the coverage limits, the performance by the insured of any indemnity agreement set forth in this tariff. This insurance or bond may not be canceled for any cause without thirty (30) days advance notice being first given to Shelby Energy Cooperative, Inc.”</p> <p><u>CHANGE OF USE PROVISION:</u></p> <p>When the Cooperative subsequently requires a change in its poles or attachment for reasons unrelated to the CATV operations, the CATV operator shall be given forty-eight (48) hours notice of the proposed change (except in case of emergency). If the CATV operator is unable or unwilling to meet the Cooperative’s time schedule for such changes, the Cooperative may do the work and charge the CATV operator its reasonable cost for performing the change of CATV attachments.</p>	

DATE OF ISSUE: September 19, 1997

EFFECTIVE DATE: June 4, 1997

SUED BY: *Dudley B. Borton Jr.*
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

FOR All Territory Served
Community, Town or City
P.S.C. No. 5
Original SHEET NO. 53
CANCELLING P.S.C. NO. 5
SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

JUN 04 1997

Name of Issuing Corporation PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Stephen B. Butt
SECRETARY OF THE COMMISSION

CLASSIFICATION OF SERVICE

CABLE TELEVISION ATTACHMENT - RATE 5	RATE PER UNIT
<p>ABANDONMENT:</p> <p>A. If the Cooperative desires at any time to abandon any pole to which CATV operator has attachments, it shall give the CATV operator notice in writing to that effect at least thirty (30) days prior to the date on which it intends to abandon such pole. If, at the expiration of said period, the Cooperative shall have no attachments on such pole, but the CATV operator shall not have removed all of its attachments therefrom, such pole shall thereupon become the property of the CATV operator, and the CATV operator shall save harmless the Cooperative from all obligation, liability, damages, cost, expenses or charges incurred thereafter; and shall pay the Cooperative for such pole an amount equal to the Cooperative's depreciated cost thereof. The Cooperative shall further evidence transfer to the CATV operator of title to the pole by means of a bill of sale.</p> <p>B. The CATV operator may at any time abandon the use of the attached pole by giving due notice thereof in writing to the Cooperative and by removing therefrom any and all attachments it may have thereon. The CATV operator shall in such case pay to the Cooperative the full rental for said pole for the then current billing period.</p> <p>RIGHTS OF OTHERS:</p> <p>Upon notice from the Cooperative to the CATV operator that the use of any pole or poles is forbidden by municipal or other public authorities or by property owners, the permit governing the use of such pole or poles shall immediately terminate and the CATV operator shall remove its facilities from the affected pole or poles at once. no refund of any rental will be due on account of any removal resulting from such forbidden use.</p>	

DATE OF ISSUE: September 19, 1997

EFFECTIVE DATE: June 4, 1997

SUED BY: *David B. Butt, Jr.*
Name of Officer

President & General Manager
Title

Shelbyville, KY 40065
Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. _____ Dated _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

FOR All Territory Served
Community, Town or City
P.S.C. No. 5
Original SHEET NO. 54
CANCELLING P.S.C. NO. 5
SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

JUN 04 1997

Name of Issuing Corporation PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Stephen D. Bell
SECRETARY OF THE COMMISSION

CLASSIFICATION OF SERVICE

CABLE TELEVISION ATTACHMENT - RATE 5	RATE PER UNIT
<p>PAYMENT OF TAXES:</p> <p>Each party shall pay all taxes and assessments lawfully levied on its own property upon said attached poles, and the taxes and the assessments which are levied on said property shall be paid by the owner thereof, but any tax fee, or charge levied on the Cooperative's poles solely because of their use by the CATV operator shall be paid by the CATV operator.</p> <p>BOND OR DEPOSITOR PERFORMANCE:</p> <p>A. The CATV operator shall furnish bond or satisfactory evidence of contractual insurance coverage for the purposes hereinafter specified in the amount of Twenty-five thousand dollars (\$25,000.00), until such time as the CATV operator shall occupy twenty-five hundred (2,500) poles of the Cooperative and thereafter the amount thereof shall be increased to increments of One thousand dollars (\$1,000.00), for each one hundred (100) poles (or fraction thereof) occupied by the CATV operator, evidence of which shall be presented to the Cooperative fifteen (15) days prior to beginning construction. Such bond or insurance shall contain the provision that it shall not be terminated prior to six (6) months after receipt by the Cooperative of written notice of the desire of the Bonding or Insurance Company to terminate such bond or insurance. Upon receipt of such notice, the Cooperative shall request the CATV operator to immediately remove its cables, wires, and all other facilities from all poles of the Cooperative. If the CATV operator should fail to complete the removal of all its facilities from the poles of the Cooperative within thirty (30) days after receipt of such request from the Cooperative, then the Cooperative shall have the right to remove them at the cost and expense of the CATV operator and without being liable for any damage</p>	

DATE OF ISSUE: September 19, 1997 EFFECTIVE DATE: June 4, 1997
ISSUED BY: Dudley Bottom Jr. President & General Manager Shelbyville, KY 40065
Name of Officer Title Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. _____ Dated _____

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
 Original SHEET NO. 55
 CANCELLING P.S.C. NO. 5
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

 Name of Issuing Corporation

CLASSIFICATION OF SERVICE

CABLE TELEVISION ATTACHMENT - RATE 5	RATE PER UNIT
<p><u>BOND OR DEPOSITOR PERFORMANCE:</u> (continued)</p> <p>to the CATV operator's wires, cables, fixtures, or appurtenances. Such bond or insurance shall guarantee the payment of any sums which may become due to the Cooperative for rentals, inspections or work performed for the benefit of the CATV operator under this tariff, including the removal of attachments upon termination of service by any of its provisions.</p> <p style="margin-left: 40px;">B. After the CATV operator has been a customer of the Cooperative and not in default for a period of two years, the Cooperative shall reduce the bond by 50%, or, at the Cooperative's option, require a deposit in keeping with 807 KAR 5:006, Section 7.</p> <p><u>USE OF ANCHORS:</u></p> <p>The Cooperative reserves the right to prohibit the use of any existing anchors by CATV operator where the strength or conditions of said anchors cannot be readily identified by visual inspection.</p> <p><u>DISCONTINUANCE OF SERVICE:</u></p> <p>The Cooperative may refuse or discontinue serving an applicant or customer under the conditions set out in 807 KAR 5:006, Section 11.</p>	<p>PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE</p> <p style="font-size: 1.2em;">JUN 04 1997</p> <p>PURSUANT TO 807 KAR 5:011, SECTION 9 (1)</p> <p>BY: <u>Stephan D. Bee</u></p> <p style="font-size: 0.8em;">SECRETARY OF THE COMMISSION</p>

DATE OF ISSUE: September 19, 1997 EFFECTIVE DATE: June 4, 1997

ISSUED BY: *Dudley Burton Jr.* President & General Manager Shelbyville, KY 40065
 Name of Officer Title Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedules

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
 Original SHEET NO. 56
 CANCELLING P.S.C. NO. 5
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

CLASSIFICATION OF SERVICE

VOLUNTARY INTERRUPTIBLE SERVICE - RATE 23	RATE PER UNIT
<p><u>STANDARD RIDER</u></p> <p>This Voluntary Interruptible Service 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 service territory served by the Cooperative.</p> <p>No interruptible demand which is already under contract under any other Interruptible Rider is eligible for this service.</p> <p><u>AVAILABILITY OF SERVICE</u></p> <p>This schedule shall be made available at any load center, to any member cooperative where an ultimate "Customer" is capable of interrupting at least 1,000 kW upon request and has contracted with the Cooperative to do so under a retail contract rider.</p> <p><u>CONDITIONS OF SERVICE</u></p> <ol style="list-style-type: none"> Any request for interruption under this Rider shall be made by the Cooperative. Each interruption will be strictly voluntary. No responsibility of any kind shall attach to the Cooperative for, or on account of, any loss or damage caused by, or resulting from, any interruption or curtailment of this service. 	

NOV 13 2000
 PURSUANT TO 207 KAR 50.11

DATE OF ISSUE: October 13, 2000

EFFECTIVE DATE: November 13, 2000

ISSUED BY:

Darrell Bottoms, Jr.
 Name of Officer

President & CEO

Title

Shelbyville, KY 40065

Address

Issued by authority of an Order of the Public Service Commission of Kentucky in

Case No. _____

Dated _____

FOR All Territory Served
Community, Town or City
 P.S.C. No. 5
Original SHEET NO. 57
 CANCELLING P.S.C. NO. 5
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
 Shelbyville, Kentucky

Name of Issuing Corporation

CLASSIFICATION OF SERVICE

VOLUNTARY INTERRUPTIBLE SERVICE - RATE 23	RATE PER UNIT
<p>4. The Customer shall agree by contract to own, operate, and maintain all necessary equipment for receiving electric energy and all telemetering and communications equipment, within the Customer's premises, required for interruptible service.</p> <p>5. It is the Cooperative's responsibility to notify the Customer and execute an interruption request. Therefore, the Cooperative and the Customer shall mutually agree upon the manner by which the Cooperative shall notify the Customer of a request for interruption. Such an agreement shall include the means by which the Cooperative shall communicate the interruption request (e.g. email, phone, pager, etc.) and the Customer's point of contact to receive such a request.</p> <p>6. The Cooperative will attempt to provide as much advance notice as possible for requests for interruption. However, upon the Customer's acceptance of the Terms of Interruption the Customer's load shall be interrupted with as little as one (1) hour of advance notification.</p> <p>7. The Cooperative reserves the right to require verification of a Customer's ability to interrupt its load.</p> <p>8. The Customer is not eligible for the Interruption Credits for any interruption when the Customer's interruptible load is down for other reasons during the period of the requested interruption. Such down time would include any event outside of the Customer's normal operating circumstances such as planned or unplanned outages due to renovation, repair, vacation, refurbishment, renovation, strike or force majeure.</p>	

NOV 13 2000

DATE OF ISSUE: October 13, 2000

EFFECTIVE DATE: November 13, 2000

ISSUED BY:

Dwight Bottom
 Name of Officer

President & CEO
 Title

Shelbyville, KY 40065
 Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedules

FOR All Territory Served
 Community, Town or City
 P.S.C. No. 5
 Original SHEET NO. 58
 CANCELLING P.S.C. NO. 5
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
 Shelbyville, Kentucky

Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
VOLUNTARY INTERRUPTIBLE SERVICE - RATE 23	RATE PER UNIT
<p><u>INTERRUPTIBLE CUSTOMER DATA REPORT</u></p> <p>The Customer shall furnish to the Cooperative an Interruptible Customer Data Report. Such a report shall include such information as:</p> <ol style="list-style-type: none"> 1. The maximum number of hours per day and the time of day that the Customer has the ability to interrupt. 2. The maximum number of days and the maximum number of consecutive days that the Customer has the the ability to interrupt. 3. The maximum interruptible demand and the minimum interruptible demand by the Customer upon request. 4. The minimum price at which each Customer is willing to interrupt. <p><u>DEMAND AND ENERGY INTERRUPTION</u></p> <p>The Customer will agree by contract, within an agreed time after receiving notice, to comply to the extent possible with the Cooperative's request to interrupt load. The Cooperative is the sole judge of the need for interruption of load. The Cooperative is the sole judge of the amount of interruptible demand provided by the Customer, based on the following calculation:</p> <p>The average of the integrated fifteen-minute demand for the two hours prior to the hour immediately preceding the call for interruption will be used as the basis for establishing the existing demand level. The hourly interruptible demands for each customer will be the difference between the existing demand level and the actual demand measured during each hour of the interruption period. The interrupted energy of each interruption period</p>	

NOV 13 2000
 PURSUANT TO ORDER NO. 0011

DATE OF ISSUE: October 13, 2000

EFFECTIVE DATE: November 13, 2000

ISSUED BY: *Dudley B. Batta Jr.*
 Name of Officer

President & CEO
 Title

Shelbyville, KY 40065
 Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

FOR All Territory Served
Community, Town or City
 P.S.C. No. 5
 Original SHEET NO. 59
 CANCELLING P.S.C. NO. 5
 SHEET NO. _____

Shelby Energy Cooperative, Inc.
 Shelbyville, Kentucky

Name of Issuing Corporation

CLASSIFICATION OF SERVICE

VOLUNTARY INTERRUPTIBLE SERVICE - RATE 23

**RATE
 PER UNIT**

shall be the sum of the hourly interrupted demands. These type of interruptions will cover a period of no more than six hours.

For interruptions longer than six hours in duration, the Customer's average load usage for the same hours as the interruption hours in the two preceding business days prior to the day of notice will be used as the basis for determining the demand level for interruption. The average hourly usage for these business days, based on the average integrated fifteen minute demand intervals, minus the actual load during the interruption period will equal the amount of interruptible load. The interrupted energy of each interruption period will equal the amount of interruptible load. The interrupted energy of each interruption period shall be the sum of the hourly interrupted demands.

TERMS OF INTERRUPTION

For each interruption request, the Cooperative shall identify the Customer to be interrupted. The Cooperative shall inform the Customer of an interruption request in accordance with the agreed upon method of notification. The Terms of Interruption shall include the following:

1. The time at which each interruption shall begin is to be established by the Cooperative. At least one (1) hour of advance notice of each request for interruption shall be provided by the Cooperative.
2. The duration in clock hours of the interruption request is to be established by the Cooperative.
3. The price and the potential savings. This savings will be determined by the Cooperative on a case by case basis and will be based on a percentage of the market price of power at the time of the interruption.

NOV 13 2000
 PURSUANT TO ORDER NO. 5011

DATE OF ISSUE: October 13, 2000

EFFECTIVE DATE: November 13, 2000

ISSUED BY: *Dudley Bottom Jr.*
 Name of Officer

President & CEO
 Title

Shelbyville, KY 40065
 Address

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. NO. 5
3rd Revised Sheet No. 60

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

P.S.C. NO. 5
2nd Revised Sheet No. 60

CLASSIFICATION OF SERVICE		
SPECIAL OUTDOOR LIGHTING SERVICE - RATE 33	Rate Per Unit	
<p><u>AVAILABILITY:</u></p> <p>This schedule is available to any consumer requesting luminaries for dusk to dawn outdoor or street lighting service of a type not provided for under other rate schedules, and is subject to the established Rules & Regulations of the Cooperative.</p> <p><u>TYPE OF SERVICE:</u></p> <p>The Cooperative will install and maintain automatic outdoor or street lighting of the desired type by the consumer, single phase, 60 Hertz at available secondary voltage.</p> <p><u>RATES:</u></p> <p>The monthly charge will be the sum of items (1) and (2) below.</p> <p>1. The Energy Rate for each type of lamp shall be \$ 0.06440 per kWh as determined by the following formula:</p> <p style="padding-left: 40px;">Monthly Rated kWh = (4100 hours per year X Manufacturer's total input rating in watts) divided by (12X1000).</p> <p>2. Facilities Charge - The books of the Cooperative shall accurately reflect the Cooperative's total investment in facilities for each individual, agency or organization receiving service under this tariff. The monthly facilities charge shall be 1.4027 percent of the total investment in these special facilities</p> <p><u>FUEL ADJUSTMENT CLAUSE:</u></p> <p>This rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in KAR 5:056.</p>		(1)

DATE OF ISSUE: July 21, 2009

DATE EFFECTIVE: August 1, 2009

ISSUED BY: *D. Martin*
Name of Officer

**PUBLIC SERVICE COMMISSION
OF KENTUCKY**

EFFECTIVE
8/1/2009
PURSUANT TO 807 KAR 5:011
SECTION 9(1)
July 13, 2009

Dated

By *J. Brown*
Executive Director

Issued by authority of an Order of the Public Service Commission of Kentucky

Case No. 2008-00536

Form for filing Rate Schedule

FOR	<u>All Territory Served</u>
	<u>Community, Town or City</u>
P.S.C. NO.	<u>5</u>
Original	Sheet No. <u>60</u>

Shelby Energy Cooperative, Inc.
 Shelbyville, Kentucky

 Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
RENEWABLE RESOURCE ENERGY - RATE 24	Rate Per Unit
<p><u>STANDARD RIDER</u></p> <p>This Renewable Resource Energy is a rider to all current rate schedules. The purpose of this rider is to provide consumers with renewable resource energy that is considered to be environmentally friendly. This type of power is also know as "green power".</p> <p><u>APPLICABLE</u></p> <p>To the entire territory served by Shelby Energy Cooperative.</p> <p><u>AVAILABLE</u></p> <p>This schedule is available to any consumer on any other rate schedule offered by Shelby Energy Cooperative in the following block amounts:</p> <p style="text-align: center;">100 kWh Block (minimum size) or greater</p> <p>The consumer will contract with the Cooperative to purchase these blocks of energy under this rider.</p> <p><u>RATES</u></p> <p>The monthly rate for this service will be renewable resource energy premium. This renewable resource energy premium is provided below:</p> <p style="text-align: center;">\$0.0275 per kWh or \$2.75 per 100 kWh block</p> <p>This rate is in addition to the regular retail rates for power.</p>	

DATE OF ISSUE: <u>30-May-03</u>	DATE EFFECTIVE: <u>JUL 01 2003</u>	
ISSUED BY: <u><i>Dwight Patton</i></u>	EXECUTIVE DIRECTOR	TITLE: <u>President & CEO</u>

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE
 JUL 01 2003
 PURSUANT TO 807 KAR 5:011
 SECTION 9 (1)

Form for filing Rate Schedule

FOR	<u>All Territory Served</u>
	<u>Community, Town or City</u>
P.S.C. NO.	<u>5</u>
Original	Sheet No. <u>61</u>

Shelby Energy Cooperative, Inc.
 Shelbyville, Kentucky

 Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
RENEWABLE RESOURCE ENERGY - RATE 24	Rate Per Unit
<p><u>AGREEMENT</u></p> <p>An "Agreement for the Purchase of Renewable Resource Energy" shall be executed by the consumer prior to service under this schedule.</p> <p><u>BILLING AND MINIMUM CHARGES</u></p> <p>Blocks of power contracted for under this tariff shall constitute the minimum amount of energy that the customer will be billed during a normal billing period. The consumer shall be billed at the normal rate for all energy purchased in excess of the contracted renewable resource energy amount. For billing periods shorter than the normal billing cycle or when actual energy usage is less than the contracted amount for renewable resource energy, the consumer shall pay for the full block of renewable energy at the established premium price.</p> <p><u>TERMS OF SERVICE AND PAYMENT</u></p> <p>This rider shall be subject to all other terms and conditions of service and payment of the regular tariffs applicable to the consumer.</p> <p><u>CONDITIONS OF SERVICE</u></p> <p>The rates granted under this rider shall require the execution of a one (1) year contract between the consumer and the Cooperative.</p>	<div style="text-align: right; padding-right: 10px;"> <p>PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE</p> <p>JUL 01 2003</p> <p>PURSUANT TO 807 KAR 5-011 SECTION 9 (1)</p> <p>BY <u>Thomas L. Brown</u> EXECUTIVE CLERK</p> </div>

DATE OF ISSUE: 30-May-03 DATE EFFECTIVE: 4/30/03

ISSUED BY: Dudley Batten TITLE: President & CEO
 Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in
 Case No. _____ Dated _____

FOR ENTIRE TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. 5

Original SHEET NO. 62

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

CLASSIFICATION OF SERVICE

RATES SCHEDULE ES – ENVIRONMENTAL SURCHARGE

AVAILABILITY

In all of the Company's service territory.

APPLICABILITY

This rate schedule shall apply to all electric rate schedules and special contracts.

RATE

$$CES(m) = ES(m) - BESF$$

where CES(m) = Current Month Environmental Surcharge Factor
ES(m) = Current Month Environmental Surcharge Calculation
BESF = Base Environmental Surcharge Factor of 0%

$$ES(m) = \frac{[(WESF) \times (\text{Average of 12-months ended revenues from sales to Member System, excluding environmental surcharge}) + (\text{Over/Under Recovery})]}{[\text{Average of 12-months ending Retail Revenue (excluding environmental surcharge)}]} = \underline{\hspace{2cm}} \%$$

where WESF = Wholesale Environmental Surcharge Factor for Current Expense Month

DATE OF ISSUE March 17, 2005
Month / Date / Year

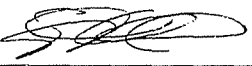
DATE EFFECTIVE Service rendered beginning July 1, 2005
Month / Date / Year

ISSUED BY 
(Signature of Officer)

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2004-00372 DATED 03/17/05

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/1/2005
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By 
Executive Director

FOR ENTIRE TERRITORY SERVED

Community, Town or City

P.S.C. KY. NO. 5

Original SHEET NO. 63

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

CLASSIFICATION OF SERVICE

(Over)/Under Recovery =

6-months cumulative (over)/under recovery as defined by amount billed by EKPC to Member System minus the amount billed by Member System to retail customer. Over or under recoveries shall be amortized over a six-month period.

BESF = zero

BILLING

The current expense month (m) shall be the second month preceding the month in which the Environmental Surcharge is billed.

DATE OF ISSUE March 17, 2005

Month / Date / Year

DATE EFFECTIVE Service rendered beginning July 1, 2005

ISSUED BY *Dwight Bottom* Month (Date) Year
(Signature of Officer)

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2004-00372 DATED 03/17/05

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/1/2005
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By *[Signature]*
Executive Director

RATES SCHEDULE NM—NET METERING

AVAILABILITY OF NET METERING SERVICE

Net Metering is available to eligible member-generators in Shelby Energy Cooperative's service territory, upon request, and on a first-come, first-served basis up to a cumulative capacity of one percent (1%) of the Shelby Energy Cooperative's single hour peak load during the previous year. If the cumulative generating capacity of net metering systems reaches 1% of a supplier's single hour peak load during the previous year, upon Commission approval, Shelby Energy Cooperative's obligation to offer net metering to a new member-generator may be limited. An eligible member-generator shall mean a member retail electric member of Shelby Energy Cooperative with a generating facility that:

- 1) Generates electricity using solar energy, wind energy, biomass or biogas energy, or hydro energy;
- 2) Has a rated capacity of not greater than thirty (30) kilowatts;
- 3) Is located on the member's premises;
- 4) Is owned and operated by the member;
- 5) Is connected in parallel with Shelby Energy Cooperative's electric distribution system; and
- 6) Has the primary purpose of supplying all or part of the member's own electricity requirements.

At its sole discretion, Shelby Energy Cooperative may provide Net Metering to other member-generators not meeting all the conditions listed above on a case-by-case basis.

METERING

Shelby Energy Cooperative shall provide net metering services, without any cost to the Member for metering equipment, through a standard kilowatt-hour metering system capable of measuring the flow of electricity in two (2) directions. This provision does not relieve Member of his or her responsibility to pay metering costs embedded in the Shelby Energy Cooperative's Commission-

DATE OF ISSUE April 6, 2009

DATE EFFECTIVE: April 8, 2009

ISSUED BY *Debbie Martin*
Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2008-00169 Dated January 8, 2009

TITLE President & Chief Executive Officer
KAR 5:011 SECTION 9 (1)

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
4/8/2009

By *W. D. Brown*
Executive Director

Shelby Energy Cooperative, Inc

approved base rates. Net metered electricity shall be measured in accordance with standard metering practices established by Shelby Energy Cooperative using metering equipment capable of measuring and recording energy flows, on a kWh basis, from Shelby Energy Cooperative to the member-generator and from the member-generator to Shelby Energy Cooperative, with each directional energy flow recorded independently. If time-of-day or time-of-use metering is used, the electricity fed back to the electric grid by the member-generator shall be metered and accounted for at the specific time it is fed back to the electric grid in accordance with the time-of-day and time-of-use billing agreement currently in place.

Any additional meter, meters, or distribution upgrades needed to monitor the flow in each direction shall be installed at the Member's expense.

BILLING AND PAYMENT

For charges collected on the basis of metered registration, Shelby Energy Cooperative shall, for each monthly billing period, determine the net meter registration of the member-generator by comparing the directional energy flow in each direction. If the net meter registration shows that the deliveries of energy in kWh from the member-generator to Shelby Energy Cooperative exceed the deliveries of energy in kWh from Shelby Energy Cooperative to the member-generator, the net meter registration in kWh will be carried forward to the next monthly billing period as a Net Metering Credit, expressed in kWh. If the member-generators carried over a Net Metering Credit from one of more prior months, the net meter registration from the current month shall be added to the Net Metering Credit that exists from prior months.

If the net metering registration shows that deliveries of energy in kWh from the Cooperative to the member-generator exceed the deliveries of energy in kWh from the member-generator to the Cooperative, the member-generator shall pay the Cooperative for the net amount of energy delivered by the Cooperative after application of any Net Metering Credit carried forward from previous months at the current rate applicable to its type or class of electric service.

The member shall be responsible for payment of any applicable member charge or other applicable charges.

At no time shall Shelby Energy Cooperative be required to convert the Net Billing Credit to cash. If a member-generator closes his account, no cash refund for residual Net Metering Credits shall be paid.

Net Metering Credits are not transferable between members or locations.

DATE OF ISSUE April 6, 2009

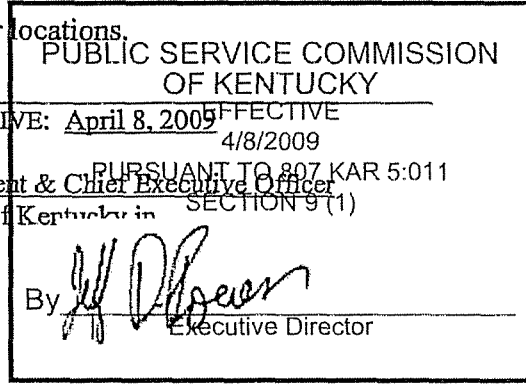
DATE EFFECTIVE: April 8, 2009
4/8/2009

ISSUED BY *Dennis Martin*

TITLE President & Chief Executive Officer
PURSUANT TO 807 KAR 5:011
SECTION 9(1)

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. 2008-00169 Dated January 8, 2009

By *J. D. Brown*
Executive Director



APPLICATION AND APPROVAL PROCESS

The Member shall submit an Application for Interconnection and Net Metering ("Application") and receive approval from Shelby Energy Cooperative prior to connecting the generator facility to Shelby Energy Cooperative's system.

Applications will be submitted by the Member and reviewed and processed by Shelby Energy Cooperative according to either Level 1 or Level 2 processes defined in this tariff.

Shelby Energy Cooperative may reject an Application for violations of any code, standard, or regulation related to reliability or safety; however, Shelby Energy Cooperative will work with the Member to resolve those issues to the extent practicable.

Members may contact Shelby Energy Cooperative to check on status of an Application or with questions prior to submitting an Application. Contact information is provided on the Application form and is listed on Shelby Energy Cooperative's website.

LEVEL 1 AND LEVEL 2 DEFINITIONS

LEVEL 1

A Level 1 Application shall be used if the generating facility is inverter-based and is certified by a nationally recognized testing laboratory to meet the requirements of Underwriters Laboratories Standard 1741 "Inverters, Converters, Controllers and Interconnection System Equipment for Use With Distributed Energy Resources" (UL 1741).

Shelby Energy Cooperative will approve the Level 1 Application if the generating facility also meets all of the following conditions:

- 1) For interconnection to a radial distribution circuit, the aggregated generation on the circuit, including the proposed generating facility, will not exceed 15% of the Line Section's most recent annual one hour peak load. A line section is the smallest part of the primary distribution system the generating facility could remain connected to after operation of any sectionalizing devices.

DATE OF ISSUE April 6, 2009

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ISSUED BY Dakota Martin
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TITLE President & Chief Executive Officer
KAR 5:011 SECTION 9 (1)

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
4/8/2009
By [Signature]
Executive Director

Shelby Energy Cooperative, Inc

- 2) If the proposed generating facility is to be interconnected on a single-phase shared secondary, the aggregate generation capacity, including the proposed generating facility, will not exceed the smaller of 20 kVA or the nameplate rating of the transformer.
- 3) If the proposed generating facility is single-phase and is to be interconnected on a center tap neutral of a 240 volt service, its addition shall not create an imbalance between the two sides of the 240 volt service of more than 20% of the nameplate rating of the service transformer.
- 4) If the generating facility is to be connected to three-phase, three wire primary Shelby Energy Cooperative distribution lines, the generator shall appear as a phase-to-phase connection at the primary Shelby Energy Cooperative distribution line.
- 5) If the generating facility is to be connected to three-phase, four wire primary Shelby Energy Cooperative distribution lines, the generator shall appear to the primary Shelby Energy Cooperative distribution line as an effectively grounded source.
- 6) The interconnection will not be on an area or spot network.
- 7) Shelby Energy Cooperative does not identify any violations of any applicable provisions of IEEE 1547, "Standard for Interconnecting Distributed Resources with Electric Power Systems."
- 8) No construction of facilities by Shelby Energy Cooperative on its own system will be required to accommodate the generating facility.

If the generating facility does not meet all of the above listed criteria, Shelby Energy Cooperative, in its sole discretion, may either: 1) approve the generating facility under the Level 1 Application if Shelby Energy Cooperative determines that the generating facility can be safely and reliably connected to Shelby Energy Cooperative's system; or 2) deny the Application as submitted under the Level 1 Application.

Shelby Energy Cooperative shall notify the member within 20 business days whether the Application is approved or denied, based on the criteria provided in this section.

DATE OF ISSUE April 6, 2009

DATE EFFECTIVE: April 8, 2009

ISSUED BY *Debbie Martin*

TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2008-00169 Dated January 8, 2009

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/8/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By *J. D. Brown*
Executive Director

Shelby Energy Cooperative, Inc

If the Application lacks complete information, Shelby Energy Cooperative shall notify the Member that additional information is required, including a list of such additional information. The time between notification and receipt of required additional information will add to the time to process the Application.

When approved, Shelby Energy Cooperative will indicate by signing the approval line on the Level 1 Application Form and returning it to the Member. The approval will be subject to successful completion of an initial installation inspection and witness test if required by Shelby Energy Cooperative. Shelby Energy Cooperative's approval section of the Application will indicate if an inspection and witness test are required. If so, the Member shall notify Shelby Energy Cooperative within 3 business days of completion of the generating facility installation and schedule an inspection and witness test with Shelby Energy Cooperative to occur within 10 business days of completion of the generator facility installation or as otherwise agreed to by Shelby Energy Cooperative and the Member. The Member may not operate the generating facility until successful completion of such inspection and witness test, unless Shelby Energy Cooperative expressly permits operational testing not to exceed two hours. If the installation fails the inspection or witness test due to non-compliance with any provision in the Application and Shelby Energy Cooperative approval, the Member shall not operate the generating facility until any and all non-compliance issues are corrected and re-inspected by Shelby Energy Cooperative.

If the Application is denied, Shelby Energy Cooperative will supply the Member with reasons for denial. The Member may resubmit under Level 2 if appropriate.

LEVEL 2

A Level 2 Application is required under any of the following:

- 1) The generating facility is not inverter based;
- 2) The generating facility uses equipment that is not certified by a nationally recognized testing laboratory to meet the requirements of UL 1741; or
- 3) The generating facility does not meet one or more of the additional conditions under Level 1.

DATE OF ISSUE April 6, 2009

DATE EFFECTIVE: April 8, 2009

ISSUED BY *Dellie Martin*
Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. 2008-00169 Dated January 8, 2009

TITLE President & Chief Executive Officer
SECTION 9 (1)

PUBLIC SERVICE COMMISSION
OF KENTUCKY

By *J. D. Brown*
Executive Director

Shelby Energy Cooperative, Inc

Original Sheet No.101

Shelby Energy Cooperative will approve the Level 2 Application if the generating facility meets Shelby Energy Cooperative's technical interconnection requirements, which are based on IEEE 1547.

Shelby Energy Cooperative will process the Level 2 Application within 30 business days of receipt of a complete Application. Within that time Shelby Energy Cooperative will respond in one of the following ways:

- 1) The Application is approved and Shelby Energy Cooperative will provide the Member with an Interconnection Agreement to sign.
- 2) If construction or other changes to Shelby Energy Cooperative's distribution system are required, the cost will be the responsibility of the Member. Shelby Energy Cooperative will give notice to the Member and offer to meet to discuss estimated costs and construction timeframe. Should the Member agree to pay for costs and proceed, Shelby Energy Cooperative will provide the Member with an Interconnection Agreement to sign within a reasonable time.
- 3) The Application is denied. Shelby Energy Cooperative will supply the Member with reasons for denial and offer to meet to discuss possible changes that would result in Shelby Energy Cooperative approval. Member may resubmit Application with changes.

If the Application lacks complete information, Shelby Energy Cooperative shall notify the Member that additional information is required, including a list of such additional information. The time between notification and receipt of required additional information will add to the 30-business-day target to process the Application.

The Interconnection Agreement will contain all the terms and conditions for interconnection consistent with those specified in this tariff, inspection and witness test requirements, description of and cost of construction or other changes to Shelby Energy Cooperative's distribution system required to accommodate the generating facility, and detailed documentation of the generating facilities which may include single line diagrams, relay settings, and a description of operation.

DATE OF ISSUE April 6, 2009

DATE EFFECTIVE: April 8, 2009

ISSUED BY *Debbie Martin*

TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. 2008-00169 Dated January 8, 2009

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By <u><i>J. D. Brown</i></u>	Executive Director

Shelby Energy Cooperative, Inc

The Member may not operate the generating facility until an Interconnection Agreement is signed by the Member and Shelby Energy Cooperative and all necessary conditions stipulated in the agreement are met.

APPLICATION, INSPECTION AND PROCESSING FEES

No application fees or other review, study, or inspection or witness test fees may be charged by Shelby Energy Cooperative for Level 1 Applications.

Shelby Energy Cooperative requires each Member to submit with each Level 2 Application a non-refundable application, inspection and processing fee of \$100 for Level 2 Applications. In the event Shelby Energy Cooperative determines an impact study is necessary with respect to a Level 2 Application, the Member shall be responsible for any reasonable costs up to \$1,000 for the initial impact study. Shelby Energy Cooperative shall provide documentation of the actual cost of the impact study. Any other studies requested by the Member shall be at the Member's sole expense.

TERMS AND CONDITIONS FOR INTERCONNECTION

To interconnect to Shelby Energy Cooperative's distribution system, the Member's generating facility shall comply with the following terms and conditions:

- 1) Shelby Energy Cooperative shall provide the Member net metering services, without charge for standard metering equipment, through a standard kilowatt-hour metering system capable of measuring the flow of electricity in two (2) directions. If the Member requests any additional meter or meters or distribution upgrades are needed to monitor the flow in each direction, such installations shall be at the Member's expense.
- 2) The Member shall install, operate, and maintain, at Member's sole cost and expense, any control, protective, or other equipment on the Member's system required by Shelby Energy Cooperative's technical interconnection requirements based on IEEE 1547, the NEC, accredited testing laboratories such as Underwriters Laboratories, and the manufacturer's suggested practices for safe, efficient and reliable operation

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ISSUED BY *Dublin Martin*

TITLE President & Chief Executive Officer

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OF KENTUCKY

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4/8/2009

By *J. D. Brown*
Executive Director

Shelby Energy Cooperative, Inc

of the generating facility in parallel with Shelby Energy Cooperative's electric system. Member shall bear full responsibility for the installation, maintenance and safe operation of the generating facility. Upon reasonable request from Shelby Energy Cooperative, the Member shall demonstrate generating facility compliance.

- 3) The generating facility shall comply with, and the Member shall represent and warrant its compliance with: (a) any applicable safety and power quality standards established by IEEE and accredited testing laboratories such as Underwriters Laboratories; (b) the NEC as may be revised from time to time; (c) Shelby Energy Cooperative's rules, regulations, and Service Regulations as contained in Shelby Energy Cooperative's Retail Electric Tariff as may be revised from time to time with the approval of the Kentucky Public Service Commission (Commission); (d) the rules and regulations of the Commission, as such rules and regulations may be revised from time to time by the Commission; and (e) all other applicable local, state, and federal codes and laws, as the same may be in effect from time to time. Where required by law, Member shall pass an electrical inspection of the generating facility by a local authority having jurisdiction over the installation.
- 4) Any changes or additions to Shelby Energy Cooperative's system required to accommodate the generating facility shall be considered excess facilities. Member shall agree to pay Shelby Energy Cooperative for actual costs incurred for all such excess facilities prior to construction.
- 5) Member shall operate the generating facility in such a manner as not to cause undue fluctuations in voltage, intermittent load characteristics or otherwise interfere with the operation of Shelby Energy Cooperative's electric system. At all times when the generating facility is being operated in parallel with Shelby Energy Cooperative's electric system, Member shall operate the generating facility in such a manner that no adverse impacts will be produced thereby to the service quality rendered by Shelby Energy Cooperative to any of its other members or to any electric system interconnected with Shelby Energy Cooperative's electric system. Member shall agree that the interconnection and operation of the generating facility is secondary to, and shall not interfere with, Shelby Energy Cooperative's ability to meet its primary responsibility of furnishing reasonably adequate service to its members.

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ISSUED BY

Debbie Martin

TITLE President & Chief Executive Officer

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OF KENTUCKY
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By *[Signature]*
Executive Director

Shelby Energy Cooperative, Inc

- 6) The Member shall be responsible for protecting, at Member's sole cost and expense, the generating facility from any condition or disturbance on Shelby Energy Cooperative's electric system, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment failures, and lightning or switching surges, except that Shelby Energy Cooperative shall be responsible for repair of damage caused to the generating facility resulting solely from the negligence or willful misconduct on the part of Shelby Energy Cooperative.
- 7) After initial installation, Shelby Energy Cooperative shall have the right to inspect and/or witness commissioning tests, as specified in the Level 1 or Level 2 Application and approval process. Following the initial testing and inspection of the generating facility and upon reasonable advance notice to the Member, Shelby Energy Cooperative shall have access at reasonable times to the generating facility to perform reasonable on-site inspections to verify that the installation, maintenance, and operation of the generating facility comply with the requirements of this tariff.
- 8) For Level 1 and 2 generating facilities, an eligible Member shall furnish and install on the Member's side of the point of common coupling a safety disconnect switch which shall be capable of fully disconnecting the Member's energy generating equipment from Shelby Energy Cooperative's electric service under the full rated conditions of the Member's generating facility. The external disconnect switch (EDS) shall be located adjacent to Shelby Energy Cooperative's meters or the location of the EDS shall be noted by placing a sticker on the meter, and shall be of the visible break type in a metal enclosure which can be secured by a padlock. If the EDS is not located directly adjacent to the meter, the Member shall be responsible for ensuring that the location of the EDS is properly and legibly identified for so long as the generating facility is operational. The disconnect switch shall be accessible to Shelby Energy Cooperative personnel at all times. Shelby Energy Cooperative may waive the requirement for an EDS for a generating facility at its sole discretion, and on a case-by-case basis, upon review of the generating facility operating parameters and if permitted under Shelby Energy Cooperative's safety and operating protocols.
- 9) Shelby Energy Cooperative shall have the right and authority at Shelby Energy Cooperative's sole discretion to isolate the generating facility or require the Member to discontinue operation of the generating facility if Shelby Energy

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ISSUED BY *Debbie Martin*

TITLE President & Chief Executive Officer

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By <u><i>J. D. Beaman</i></u>	Executive Director

Shelby Energy Cooperative, Inc

Cooperative believes that: (a) continued interconnection and parallel operation of the generating facility with Shelby Energy Cooperative's electric system may create or contribute to a system emergency on either Shelby Energy Cooperative's or the Member's electric system; (b) the generating facility is not in compliance with the requirements of this tariff, and the noncompliance adversely affects the safety, reliability, or power quality of Shelby Energy Cooperative's electric system; or (c) the generating facility interferes with the operation of Shelby Energy Cooperative's electric system. In non-emergency situations, Shelby Energy Cooperative shall give the Member notice of noncompliance including a description of the specific noncompliance condition and allow the Member a reasonable time to cure the noncompliance prior to isolating the generating facilities. In emergency situations, when Shelby Energy Cooperative is unable to immediately isolate or cause the Member to isolate only the generating facility, Shelby Energy Cooperative may isolate the Member's entire facility.

- 10) The Member shall agree that, without the prior written permission from Shelby Energy Cooperative, no changes shall be made to the generating facility as initially approved. Increases in generating facility capacity will require a new "Application for Interconnection and Net Metering" which will be evaluated on the same basis as any other new application. Repair and replacement of existing generating facility components with like components that meet UL 1741 certification requirements for Level 1 facilities and not resulting in increases in generating facility capacity is allowed without approval.
- 11) To the extent permitted by law, the Member shall protect, indemnify, and hold harmless Shelby Energy Cooperative and its directors, officers, employees, agents, representatives and contractors against and from all loss, claims, actions or suits, including costs and attorneys fees, for or on account of any injury or death of persons or damage to property caused by the Member or the Member's employees, agents, representatives and contractors in tampering with, repairing, maintaining, or operating the Member's generating facility or any related equipment or any facilities owned by Shelby Energy Cooperative except where such injury, death or damage was caused or contributed to by the fault or negligence of Shelby Energy Cooperative or its employees, agents, representatives, or contractors.

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ISSUED BY *D. Decker*

TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Ke
Case No. 2008-00169 Dated January 8, 2009

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By *J. D. Brown*
Executive Director

Shelby Energy Cooperative, Inc

The liability of Shelby Energy Cooperative to the Member for injury to person and property shall be governed by the tariff(s) for the class of service under which the Member is taking service.

- 12) The Member shall maintain general liability insurance coverage (through a standard homeowner's, commercial, or other policy) for both Level 1 and Level 2 generating facilities. The Member shall, upon request, provide Shelby Energy Cooperative with proof of such insurance at the time that application is made for net metering.
- 13) By entering into an Interconnection Agreement, or by inspection, if any, or by non-rejection, or by approval, or in any other way, Shelby Energy Cooperative does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable codes or requirements, or as to any other characteristics, of the generating facility equipment, controls, and protective relays and equipment.
- 14) A Member's generating facility is transferable to other persons or service locations only after notification to Shelby Energy Cooperative has been made and verification that the installation is in compliance with this tariff. Upon written notification that an approved generating facility is being transferred to another person, member, or location, Shelby Energy Cooperative will verify that the installation is in compliance with this tariff and provide written notification to the member(s) within 20 business days. If the installation is no longer in compliance with this tariff, Shelby Energy Cooperative will notify the Member in writing and list what must be done to place the facility in compliance.
- 15) The Member shall retain any and all Renewable Energy Credits (RECs) that may be generated by their generating facility.

EFFECTIVE TERM AND TERMINATION RIGHTS

This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) Member may terminate this Agreement at any time by giving Shelby Energy Cooperative at least sixty (60) days' written notice; (b) Shelby Energy Cooperative may terminate upon failure by the Member to continue ongoing operation of the generating facility; (c) either party may terminate by giving the other party at

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ISSUED BY *Debbie Martin*

TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in SECTION 9 (1)
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PUBLIC SERVICE COMMISSION
OF KENTUCKY

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By *[Signature]*
Executive Director

For All Counties Served

P.S.C. 5

Original Sheet No.107

Shelby Energy Cooperative, Inc

least thirty (30) days prior written notice that the other party is in default of any of the terms and conditions of the Agreement or the Rules or any rate schedule, tariff, regulation, contract, or policy of Shelby Energy Cooperative, so long as the notice specifies the basis for termination and there is opportunity to cure the default; (d) Shelby Energy Cooperative may terminate by giving the Member at least thirty (30) days notice in the event that there is a material change in an applicable law, regulation or statute affecting this Agreement or which renders the system out of compliance with the new law or statute.

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ISSUED BY Dennis Martin

TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in

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PUBLIC SERVICE COMMISSION
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PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By [Signature]
Executive Director

Shelby Energy Cooperative, Inc

LEVEL 1

Application for Interconnection and Net Metering

Use this application form only for a generating facility that is inverter based and certified by a nationally recognized testing laboratory to meet the requirements of UL1741.

Submit this Application to:

Shelby Energy Cooperative, Inc
620 Old Finchville Rd
Shelbyville, KY 40065

If you have questions regarding this Application or its status, contact the Cooperative at:

(502) 633-4420

Member Name: _____ Account Number: _____

Member Address: _____

Member PhoneNo.: _____ Member E-Mail Address: _____

Project Contact Person: _____

Phone No.: _____ E-mail Address (Optional): _____

Provide names and contact information for other contractors, installers, or engineering firms involved in the design and installation of the generating facilities:

Energy Source: Solar Wind Hydro Biogas Biomass

Inverter Manufacturer and Model #: _____

Inverter Power Rating: _____ Inverter Voltage Rating: _____

Power Rating of Energy Source (i.e., solar panels, wind turbine): _____

Is Battery Storage Used: No Yes If Yes, Battery Power Rating: _____

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ISSUED BY Debbie Martin TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in SECTION 9 (1)

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PUBLIC SERVICE COMMISSION
OF KENTUCKY

4/8/2009

By [Signature]
Executive Director

For All Counties Served
P.S.C. 5
Original Sheet No.109

Shelby Energy Cooperative, Inc

Attach documentation showing that inverter is certified by a nationally recognized testing laboratory to meet the requirements of UL 1741.

Attach site drawing or sketch showing location of Cooperative's meter, energy source, Cooperative accessible disconnect switch and inverter.

Attach single line drawing showing all electrical equipment from the Cooperative's metering location to the energy source including switches, fuses, breakers, panels, transformers, inverters, energy source, wire size, equipment ratings, and transformer connections.

Expected Start-up Date: _____

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ISSUED BY Debbie Martin TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky TO 807 KAR 5:011

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SECTION 9 (1)

By [Signature]
Executive Director

Shelby Energy Cooperative, Inc

TERMS AND CONDITIONS:

- 1) Shelby Energy Cooperative shall provide the Member net metering services, without charge for standard metering equipment, through a standard kilowatt-hour metering system capable of measuring the flow of electricity in two (2) directions. If the Member requests any additional meter or meters or distribution upgrades are needed to monitor the flow in each direction, such installations shall be at the Member's expense.
- 2) The Member shall install, operate, and maintain, at Member's sole cost and expense, any control, protective, or other equipment on the Member's system required by Shelby Energy Cooperative's technical interconnection requirements based on IEEE 1547, the NEC, accredited testing laboratories such as Underwriters Laboratories, and the manufacturer's suggested practices for safe, efficient and reliable operation of the generating facility in parallel with Shelby Energy Cooperative's electric system. The Member shall bear full responsibility for the installation, maintenance and safe operation of the generating facility. Upon reasonable request from Shelby Energy Cooperative, the Member shall demonstrate generating facility compliance.
- 3) The generating facility shall comply with, and the Member shall represent and warrant its compliance with: (a) any applicable safety and power quality standards established by IEEE and accredited testing laboratories such as Underwriters Laboratories; (b) the NEC as may be revised from time to time; (c) Shelby Energy Cooperative's rules, regulations, and Service Regulations as contained in Shelby Energy Cooperative's Retail Electric Tariff as may be revised from time to time with the approval of the Kentucky Public Service Commission (Commission); (d) the rules and regulations of the Commission, as such rules and regulations may be revised from time to time by the Commission; and (e) all other applicable local, state, and federal codes and laws, as the same may be in effect from time to time. Where required by law, Member shall pass an electrical inspection of the generating facility by a local authority having jurisdiction over the installation.
- 4) Any changes or additions to Shelby Energy Cooperative's system required to accommodate the generating facility shall be considered excess facilities. Member shall agree to pay Shelby Energy Cooperative for actual costs incurred for all such excess facilities prior to construction.

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ISSUED BY Debbie Martin TITLE President & Chief Executive Officer

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WARRANT TO 807 KAR 5:011
SECTION 9 (1)

By [Signature]
Executive Director

Shelby Energy Cooperative, Inc

- 5) The Member shall operate the generating facility in such a manner as not to cause undue fluctuations in voltage, intermittent load characteristics or otherwise interfere with the operation of Shelby Energy Cooperative's electric system. At all times when the generating facility is being operated in parallel with Shelby Energy Cooperative's electric system, the Member shall operate the generating facility in such a manner that no adverse impacts will be produced thereby to the service quality rendered by Shelby Energy Cooperative to any of its other members or to any electric system interconnected with Shelby Energy Cooperative's electric system. The Member shall agree that the interconnection and operation of the generating facility is secondary to, and shall not interfere with, Shelby Energy Cooperative's ability to meet its primary responsibility of furnishing reasonably adequate service to its members.
- 6) The Member shall be responsible for protecting, at Member's sole cost and expense, the generating facility from any condition or disturbance on Shelby Energy Cooperative's electric system, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment failures, and lightning or switching surges, except that Shelby Energy Cooperative shall be responsible for repair of damage caused to the generating facility resulting solely from the negligence or willful misconduct on the part of Shelby Energy Cooperative.
- 7) After initial installation, Shelby Energy Cooperative shall have the right to inspect and/or witness commissioning tests, as specified in the Level 1 or Level 2 Application and approval process. Following the initial testing and inspection of the generating facility and upon reasonable advance notice to the Member, Shelby Energy Cooperative shall have access at reasonable times to the generating facility to perform reasonable on-site inspections to verify that the installation, maintenance, and operation of the generating facility comply with the requirements of this tariff.
- 8) For Level 1 and 2 generating facilities, an eligible Member shall furnish and install on the Member's side of the point of common coupling a safety disconnect switch which shall be capable of fully disconnecting the Member's energy generating equipment from Shelby Energy Cooperative's electric service under the full rated conditions of the Member's generating facility. The external disconnect switch (EDS) shall be located adjacent to Shelby Energy Cooperative's meters or the location of the EDS shall be noted by placing a sticker on the meter, and shall be of the visible break type in a metal enclosure which can be secured by a padlock. If the EDS is not located directly adjacent to the meter, the

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ISSUED BY *Dennis Martin*

TITLE President & Chief Executive Officer KAR 5:011

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OF KENTUCKY

By *[Signature]*
Executive Director

Member shall be responsible for ensuring that the location of the EDS is properly and legibly identified for so long as the generating facility is operational. The disconnect switch shall be accessible to Shelby Energy Cooperative personnel at all times. Shelby Energy Cooperative may waive the requirement for an EDS for a generating facility at its sole discretion, and on a case-by-case basis, upon review of the generating facility operating parameters and if permitted under Shelby Energy Cooperative's safety and operating protocols.

- 9) Shelby Energy Cooperative shall have the right and authority at Shelby Energy Cooperative's sole discretion to isolate the generating facility or require the Member to discontinue operation of the generating facility if Shelby Energy Cooperative believes that: (a) continued interconnection and parallel operation of the generating facility with Shelby Energy Cooperative's electric system may create or contribute to a system emergency on either Shelby Energy Cooperative's or the Member's electric system; (b) the generating facility is not in compliance with the requirements of this tariff, and the noncompliance adversely affects the safety, reliability, or power quality of Shelby Energy Cooperative's electric system; or (c) the generating facility interferes with the operation of Shelby Energy Cooperative's electric system. In non-emergency situations, Shelby Energy Cooperative shall give the Member notice of noncompliance including a description of the specific noncompliance condition and allow the Member a reasonable time to cure the noncompliance prior to isolating the generating facilities. In emergency situations, when the Shelby Energy Cooperative is unable to immediately isolate or cause the Member to isolate only the generating facility, Shelby Energy Cooperative may isolate the Member's entire facility.

- 10) The Member shall agree that, without the prior written permission from Shelby Energy Cooperative, no changes shall be made to the generating facility as initially approved. Increases in generating facility capacity will require a new "Application for Interconnection and Net Metering" which will be evaluated on the same basis as any other new application. Repair and replacement of existing generating facility components with like components that meet UL 1741 certification requirements for Level 1 facilities and not resulting in increases in generating facility capacity is allowed without approval.

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ISSUED BY Debbie Martin

TITLE President & Chief Executive Officer

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OF KENTUCKY

4/8/2009

By [Signature]
Executive Director

Shelby Energy Cooperative, Inc

- 11) To the extent permitted by law, the Member shall protect, indemnify, and hold harmless Shelby Energy Cooperative and its directors, officers, employees, agents, representatives and contractors against and from all loss, claims, actions or suits, including costs and attorneys fees, for or on account of any injury or death of persons or damage to property caused by the Member or the Member's employees, agents, representatives and contractors in tampering with, repairing, maintaining, or operating the Member's generating facility or any related equipment or any facilities owned by Shelby Energy Cooperative except where such injury, death or damage was caused or contributed to by the fault or negligence of Shelby Energy Cooperative or its employees, agents, representatives, or contractors.

The liability of Shelby Energy Cooperative to the Member for injury to person and property shall be governed by the tariff(s) for the class of service under which the Member is taking service.

- 12) The Member shall maintain general liability insurance coverage (through a standard homeowner's, commercial, or other policy) for both Level 1 and Level 2 generating facilities. The Member shall, upon request, provide Shelby Energy Cooperative with proof of such insurance at the time that application is made for net metering.
- 13) By entering into an Interconnection Agreement, or by inspection, if any, or by non-rejection, or by approval, or in any other way, Shelby Energy Cooperative does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable codes or requirements, or as to any other characteristics, of the generating facility equipment, controls, and protective relays and equipment.
- 14) A Member's generating facility is transferable to other persons or service locations only after notification to Shelby Energy Cooperative has been made and verification that the installation is in compliance with this tariff. Upon written notification that an approved generating facility is being transferred to another person, member, or location, Shelby Energy Cooperative will verify that the installation is in compliance with this tariff and provide written notification to the member(s) within 20 business days. If the installation is no longer in compliance with this tariff, Shelby Energy Cooperative will notify the Member in writing and list what must be done to place the facility in compliance.

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ISSUED BY Dennis Martin

TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in
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By <u>JH Decker</u>	Executive Director

Shelby Energy Cooperative, Inc

For All Counties Served
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Original Sheet No.114

15) The Member shall retain any and all Renewable Energy Credits (RECs) that may be generated by their generating facility.

EFFECTIVE TERM AND TERMINATION RIGHTS

This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) The Member may terminate this Agreement at any time by giving Shelby Energy Cooperative at least sixty (60) days' written notice; (b) Shelby Energy Cooperative may terminate upon failure by the Member to continue ongoing operation of the generating facility; (c) either party may terminate by giving the other party at least thirty (30) days prior written notice that the other party is in default of any of the terms and conditions of the Agreement or the Rules or any rate schedule, tariff, regulation, contract, or policy of Shelby Energy Cooperative, so long as the notice specifies the basis for termination and there is opportunity to cure the default; (d) Shelby Energy Cooperative may terminate by giving the Member at least thirty (30) days notice in the event that there is a material change in an applicable law, regulation or statute affecting this Agreement or which renders the system out of compliance with the new law or statute.

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ISSUED BY Dennis Martin

TITLE President & Chief Executive Officer

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SECTION 9 (1)

By [Signature]
Executive Director

Shelby Energy Cooperative, Inc

I hereby certify that, to the best of my knowledge, all of the information provided in this Application is true, and I agree to abide by all the Terms and Conditions included in this Application for Interconnection and Net Metering and Shelby Energy Cooperative's Net Metering Tariff.

Member Signature _____ Date _____

Title _____

COOPERATIVE APPROVAL SECTION

When signed below by a Cooperative representative, Application for Interconnection and Net Metering is approved subject to the provisions contained in this Application and as indicated below.

Cooperative inspection and witness test: Required Waived

If inspection and witness test is required, the Member shall notify the Cooperative within 3 business days of completion of the generating facility installation and schedule an inspection and witness test with the Cooperative to occur within 10 business days of completion of the generating facility installation or as otherwise agreed to by the Cooperative and the Member. Unless indicated below, the Member may not operate the generating facility until such inspection and witness test is successfully completed. Additionally, the Member may not operate the generating facility until all other terms and conditions in the Application have been met.
Call _____ to schedule an inspection and witness test.

Pre-Inspection operational testing not to exceed two hours: Allowed Not Allowed

If inspection and witness test is waived, operation of the generating facility may begin when installation is complete, and all other terms and conditions in the Application have been met.

Additions, Changes, or Clarifications to Application Information:

None As specified here: _____

Approved by: _____ Date: _____

Printed Name: _____ Title: _____

DATE OF ISSUE April 6, 2009

DATE EFFECTIVE: April 8, 2009

PURSUANT TO 807 KAR 5:011

ISSUED BY Dolores Martin TITLE President & Chief Executive Officer

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Case No. 2008-00169 Dated January 8, 2009

PUBLIC SERVICE COMMISSION OF KENTUCKY	
EFFECTIVE _____	
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By <u>[Signature]</u>	
Executive Director	

Shelby Energy Cooperative, Inc

LEVEL 2

Application For Interconnection And Net Metering

Use this Application form when generating facility is not inverter-based or is not certified by a nationally recognized testing laboratory to meet the requirements of UL 1741 or does not meet any of the additional conditions under Level 1.

Submit this Application along with an application fee of \$100 to:

Shelby Energy Cooperative, Inc
620 Old Finchville Road
Shelbyville, KY 40065

If you have questions regarding this Application or its status, contact the Cooperative at:

(502) 633-4420

Member Name: _____ Account Number: _____

Member Address: _____

Project Contact Person: _____

Phone No.: _____ Email Address (Optional): _____

Provide names and contact information for other contractors, installers, or engineering firms involved in the design and installation of the generating facilities:

Total Generating Capacity of Generating Facility: _____

Type of Generator: Inverter-Based Synchronous Induction

Power Source: Solar Wind Hydro Biogas Biomass

Adequate documentation and information must be submitted with this application to be considered complete. Typically this should include the following:

DATE OF ISSUE April 6, 2009

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ISSUED BY Delvin Martin

TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in PURSUANT TO 807 KAR 5:011

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SECTION 9 (1)

By [Signature]
Executive Director

Shelby Energy Cooperative, Inc

1. Single-line diagram of the member's system showing all electrical equipment from the generator to the point of interconnection with the Cooperative's distribution system, including generators, transformers, switchgear, switches, breakers, fuses, voltage transformers, current transformers, wire sizes, equipment ratings, and transformer connections.
2. Control drawings for relays and breakers.
3. Site Plans showing the physical location of major equipment.
4. Relevant ratings of equipment. Transformer information should include capacity ratings, voltage ratings, winding arrangements, and impedance.
5. If protective relays are used, settings applicable to the interconnection protection. If programmable relays are used, a description of how the relay is programmed to operate as applicable to interconnection protection.
6. A description of how the generator system will be operated including all modes of operation.
7. For inverters, the manufacturer name, model number, and AC power rating. For certified inverters, attach documentation showing that inverter is certified by a nationally recognized testing laboratory to meet the requirements of UL1741.
8. For synchronous generators, manufacturer and model number, nameplate ratings, and impedance data (X_d , $X'd$, & $X''d$).
9. For induction generators, manufacturer and model number, nameplate ratings, and locked rotor current.

Member Signature: _____ Date: _____

DATE OF ISSUE April 6, 2009

DATE EFFECTIVE: April 8, 2009

ISSUED BY Debbie Martin

TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in

Case No. 2008-00169 Dated January 8, 2009

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
4/8/2009

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By [Signature]
Executive Director

For All Counties Served

P.S.C. 5

Original Sheet No. 118

Shelby Energy Cooperative, Inc

LEVEL 2
INTERCONNECTION AGREEMENT

THIS INTERCONNECTION AGREEMENT (Agreement) is made and entered into this _____ day of _____, 20____, by and between _____ (Cooperative), and _____ (Member). Cooperative and Member are hereinafter sometimes referred to individually as "Party" or collectively as "Parties".

WITNESSETH:

WHEREAS, Member is installing, or has installed, generating equipment, controls, and protective relays and equipment (Generating Facility) used to interconnect and operate in parallel with Cooperative's electric system, which Generating Facility is more fully described in Exhibit A, attached hereto and incorporated herein by this Agreement, and as follows:

Location: _____

Generator Size and Type: _____

NOW, THEREFORE, in consideration thereof, Member and Cooperative agree as follows:

Cooperative agrees to allow the Member to interconnect and operate the Generating Facility in parallel with the Cooperative's electric system and the Member agrees to abide by Cooperative's Net Metering Tariff and all the Terms and Conditions listed in this Agreement including any additional conditions listed in Exhibit A.

TERMS AND CONDITIONS:

- 1) Shelby Energy Cooperative shall provide the Member net metering services, without charge for standard metering equipment, through a standard kilowatt-hour metering system capable of measuring the flow of electricity in two (2) directions. If the Member requests any additional meter or meters or distribution upgrades are needed to monitor the flow in each direction, such installations shall be at the Member's expense.

DATE OF ISSUE April 6, 2009

DATE EFFECTIVE April 8, 2009

ISSUED BY

Debbie Austin

TITLE

President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2008-00169 Dated January 8, 2009

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
4/8/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By *[Signature]*
Executive Director

- 2) The Member shall install, operate, and maintain, at the Member's sole cost and expense, any control, protective, or other equipment on the Member's system required by Shelby Energy Cooperative's technical interconnection requirements based on IEEE 1547, the NEC, accredited testing laboratories such as Underwriters Laboratories, and the manufacturer's suggested practices for safe, efficient and reliable operation of the generating facility in parallel with Shelby Energy Cooperative's electric system. The Member shall bear full responsibility for the installation, maintenance and safe operation of the generating facility. Upon reasonable request from Shelby Energy Cooperative, the Member shall demonstrate generating facility compliance.
- 3) The generating facility shall comply with, and the Member shall represent and warrant its compliance with: (a) any applicable safety and power quality standards established by IEEE and accredited testing laboratories such as Underwriters Laboratories; (b) the NEC as may be revised from time to time; (c) Shelby Energy Cooperative's rules, regulations, and Service Regulations as contained in Shelby Energy Cooperative's Retail Electric Tariff as may be revised from time to time with the approval of the Kentucky Public Service Commission (Commission); (d) the rules and regulations of the Commission, as such rules and regulations may be revised from time to time by the Commission; and (e) all other applicable local, state, and federal codes and laws, as the same may be in effect from time to time. Where required by law, the Member shall pass an electrical inspection of the generating facility by a local authority having jurisdiction over the installation.
- 4) Any changes or additions to Shelby Energy Cooperative's system required to accommodate the generating facility shall be considered excess facilities. The Member shall agree to pay Shelby Energy Cooperative for actual costs incurred for all such excess facilities prior to construction.
- 5) The Member shall operate the generating facility in such a manner as not to cause undue fluctuations in voltage, intermittent load characteristics or otherwise interfere with the operation of Shelby Energy Cooperative's electric system. At all times when the generating facility is being operated in parallel with Shelby Energy Cooperative's electric system, the Member shall operate the generating facility in such a manner that no adverse impacts will be produced thereby to the service quality rendered by Shelby Energy Cooperative to any

DATE OF ISSUE April 6, 2009

DATE EFFECTIVE: April 8, 2009

ISSUED BY Dennis Martin TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in SECTION 9 (1)

Case No. 2008-00169 Dated January 8, 2009

PUBLIC SERVICE COMMISSION
OF KENTUCKY

4/8/2009

By [Signature]
Executive Director

Shelby Energy Cooperative, Inc

of its other members or to any electric system interconnected with Shelby Energy Cooperative's electric system. The Member shall agree that the interconnection and operation of the generating facility is secondary to, and shall not interfere with, Shelby Energy Cooperative's ability to meet its primary responsibility of furnishing reasonably adequate service to its members.

- 6) The Member shall be responsible for protecting, at the Member's sole cost and expense, the generating facility from any condition or disturbance on Shelby Energy Cooperative's electric system, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment failures, and lightning or switching surges, except that Shelby Energy Cooperative shall be responsible for repair of damage caused to the generating facility resulting solely from the negligence or willful misconduct on the part of Shelby Energy Cooperative.
- 7) After initial installation, Shelby Energy Cooperative shall have the right to inspect and/or witness commissioning tests, as specified in the Level 1 or Level 2 Application and approval process. Following the initial testing and inspection of the generating facility and upon reasonable advance notice to the Member, Shelby Energy Cooperative shall have access at reasonable times to the generating facility to perform reasonable on-site inspections to verify that the installation, maintenance, and operation of the generating facility comply with the requirements of this tariff.
- 8) For Level 1 and 2 generating facilities, an eligible Member shall furnish and install on the Member's side of the point of common coupling a safety disconnect switch which shall be capable of fully disconnecting the Member's energy generating equipment from Shelby Energy Cooperative's electric service under the full rated conditions of the Member's generating facility. The external disconnect switch (EDS) shall be located adjacent to Shelby Energy Cooperative's meters or the location of the EDS shall be noted by placing a sticker on the meter, and shall be of the visible break type in a metal enclosure which can be secured by a padlock. If the EDS is not located directly adjacent to the meter, the Member shall be responsible for ensuring that the location of the EDS is properly and legibly identified for so long as the generating facility is operational. The disconnect switch shall be accessible to Shelby Energy Cooperative personnel at all times. Shelby Energy Cooperative may waive the requirement for an EDS for a generating facility at its sole

DATE OF ISSUE April 6, 2009

DATE EFFECTIVE: April 8, 2009

ISSUED BY *Debbie Martin*

TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in SECTION 9 (1)
Case No. 2008-00169 Dated January 8, 2009

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
4/8/2009
REG. NO. 5:011

By *J. D. Beaman*
Executive Director

Shelby Energy Cooperative, Inc

discretion, and on a case-by-case basis, upon review of the generating facility operating parameters and if permitted under Shelby Energy Cooperative's safety and operating protocols.

- 9) Shelby Energy Cooperative shall have the right and authority at Shelby Energy Cooperative's sole discretion to isolate the generating facility or require the Member to discontinue operation of the generating facility if Shelby Energy Cooperative believes that: (a) continued interconnection and parallel operation of the generating facility with Shelby Energy Cooperative's electric system may create or contribute to a system emergency on either Shelby Energy Cooperative's or the Member's electric system; (b) the generating facility is not in compliance with the requirements of this tariff, and the noncompliance adversely affects the safety, reliability, or power quality of Shelby Energy Cooperative's electric system; or (c) the generating facility interferes with the operation of Shelby Energy Cooperative's electric system. In non-emergency situations, Shelby Energy Cooperative shall give the Member notice of noncompliance including a description of the specific noncompliance condition and allow the Member a reasonable time to cure the noncompliance prior to isolating the generating facilities. In emergency situations, when Shelby Energy Cooperative is unable to immediately isolate or cause the Member to isolate only the generating facility, Shelby Energy Cooperative may isolate the Member's entire facility.

- 10) The Member shall agree that, without the prior written permission from Shelby Energy Cooperative, no changes shall be made to the generating facility as initially approved. Increases in generating facility capacity will require a new "Application for Interconnection and Net Metering" which will be evaluated on the same basis as any other new application. Repair and replacement of existing generating facility components with like components that meet UL 1741 certification requirements for Level 1 facilities and not resulting in increases in generating facility capacity is allowed without approval.

- 11) To the extent permitted by law, the Member shall protect, indemnify, and hold harmless Shelby Energy Cooperative and its directors, officers, employees, agents, representatives and contractors against and from all loss, claims, actions or suits, including costs and attorneys fees, for or on account of any injury or death of persons or damage to property caused by the Member or the Member's employees, agents, representatives and contractors in tampering with, repairing, maintaining, or operating the Member's generating facility or any related equipment or any facilities owned by Shelby Energy

DATE OF ISSUE April 6, 2009

DATE EFFECTIVE: April 8, 2009

4/8/2009

ISSUED BY *Debbie Martin*

TITLE President & General Manager

Issued by authority of an Order of the Public Service Commission of Kentucky in SECTION 9 (1)

Case No. 2008-00169 Dated January 8, 2009

PUBLIC SERVICE COMMISSION
OF KENTUCKY

By *J. D. Brown*
Executive Director

Shelby Energy Cooperative, Inc

Cooperative except where such injury, death or damage was caused or contributed to by the fault or negligence of the Shelby Energy Cooperative or its employees, agents, representatives, or contractors.

The liability of Shelby Energy Cooperative to the Member for injury to person and property shall be governed by the tariff(s) for the class of service under which the Member is taking service.

- 12) The Member shall maintain general liability insurance coverage (through a standard homeowner's, commercial, or other policy) for both Level 1 and Level 2 generating facilities. The Member shall, upon request, provide Shelby Energy Cooperative with proof of such insurance at the time that application is made for net metering.
- 13) By entering into an Interconnection Agreement, or by inspection, if any, or by non-rejection, or by approval, or in any other way, Shelby Energy Cooperative does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable codes or requirements, or as to any other characteristics, of the generating facility equipment, controls, and protective relays and equipment.
- 14) A Member's generating facility is transferable to other persons or service locations only after notification to the Shelby Energy Cooperative has been made and verification that the installation is in compliance with this tariff. Upon written notification that an approved generating facility is being transferred to another person, member, or location, Shelby Energy Cooperative will verify that the installation is in compliance with this tariff and provide written notification to the member(s) within 20 business days. If the installation is no longer in compliance with this tariff, Shelby Energy Cooperative will notify the Member in writing and list what must be done to place the facility in compliance.
- 15) The Member shall retain any and all Renewable Energy Credits (RECs) that may be generated by their generating facility.

DATE OF ISSUE April 6, 2009

DATE EFFECTIVE: April 8, 2009

ISSUED BY *Dennis Martin*

TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2008-00169 Dated January 8, 2009 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
4/8/2009

By *[Signature]*
Executive Director

Shelby Energy Cooperative, Inc

EFFECTIVE TERM AND TERMINATION RIGHTS

This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) The Member may terminate this Agreement at any time by giving Shelby Energy Cooperative at least sixty (60) days' written notice; (b) Shelby Energy Cooperative may terminate upon failure by the Member to continue ongoing operation of the generating facility; (c) either party may terminate by giving the other party at least thirty (30) days prior written notice that the other party is in default of any of the terms and conditions of the Agreement or the Rules or any rate schedule, tariff, regulation, contract, or policy of Shelby Energy Cooperative, so long as the notice specifies the basis for termination and there is opportunity to cure the default; (d) Shelby Energy Cooperative may terminate by giving the Member at least thirty (30) days notice in the event that there is a material change in an applicable law, regulation or statute affecting this Agreement or which renders the system out of compliance with the new law or statute.

IN WITNESS WHEREOF, the Parties have executed this Agreement, effective as of the date first above written.

COOPERATIVE NAME

MEMBER

By: _____ By: _____

Printed Name Printed Name

Title: _____ Title: _____

DATE OF ISSUE April 6, 2009

DATE EFFECTIVE: April 8, 2009

ISSUED BY *Debbie Martin*

TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in 478/2009

Case No. 2008-00169 Dated January 8, 2009

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By *W. D. Brown*
Executive Director

Shelby Energy Cooperative, Inc

For All Counties Served
P.S.C. 5
Original Sheet No.124

Exhibit A
(To be developed by each member system)

Exhibit A will contain additional detailed information about the Generating Facility such as a single line diagram, relay settings, and a description of operation.

When construction of Utility facilities is required, Exhibit A will also contain a description and associated cost.

Exhibit A will also specify requirements for a Utility inspection and witness test and when limited operation for testing or full operation may begin.

DATE OF ISSUE April 6, 2009

DATE EFFECTIVE April 8, 2009

ISSUED BY Dale Martin

TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in

Case No. 2008-00169 Dated January 8, 2009

PUBLIC SERVICE COMMISSION	
OF KENTUCKY	
DATE EFFECTIVE	<u>4/8/2009</u>
ISSUED BY	<u>Dale Martin</u>
TITLE	<u>President & Chief Executive Officer</u>
PURSUANT TO 807 KAR 5:011	
SECTION 9 (1)	
By	<u>[Signature]</u>
	Executive Director

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

For All Counties Served
P.S.C. No. 1
Original Sheet No. 1

Touchstone Energy Home Program

Purpose

The Touchstone Energy Home Program ("Program") is a conservation program that encourages the sale of more energy-efficient homes. It is based on *Energy Star* standards for homes, a nationally recognized symbol of energy efficiency and quality developed and operated jointly by the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy (DOE).

Availability

This program is available in all service territory served by Shelby Energy Cooperative.

Eligibility

To qualify as a Touchstone Energy Home under this program, the participating home must be located in the service territory of Shelby Energy Cooperative and meet the *Energy Star* standards by including additional floor, wall and ceiling insulation, double pane windows and an electric heat pump.

Rebate

East Kentucky Power Cooperative, Inc. ("EKPC") and Shelby Energy Cooperative will provide an incentive to retail customers to build or purchase a Touchstone Energy home. Shelby Energy Cooperative may elect to offer a rebate of up to \$250 for each participant. EKPC will match the rebate offered by the member system cooperative up to a maximum of \$250, resulting in a maximum rebate of \$500 for each participant. Rebates will be paid to each participant upon written certification that the newly constructed home has met the *Energy Star* standards.

Annual Reports

Shelby Energy Cooperative, in coordination with East Kentucky Power Cooperative, Inc., will submit annual reports on the Program that contain the number of participants, the annual costs, including the costs of the rebates, and the status of the rebate provision. Shelby Energy, in coordination with EKPC, will file the first report by June 30, 2008, and annually thereafter if the Program is continued beyond 2009.

Term

The Touchstone Energy Home Program will remain in effect through 2009. If Shelby Energy Cooperative should decide to continue the entire program beyond 2009, an application for approval from the Kentucky Public Service Commission will be filed, in coordination with EKPC, 6 months prior to the date of continuation.

DATE OF ISSUE December 10, 2007 DATE EFFECTIVE: ~~Service rendered on and after September 18, 2007~~

ISSUED BY *D. Martin* TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. 2006-00547 Dated September 18, 2007

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
9/18/2007
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By *[Signature]*
Executive Director

Shelby Energy Cooperative, Inc.

COGENERATION AND SMALL POWER PRODUCTION
POWER PURCHASE RATE SCHEDULE OVER 100 kW

AVAILABILITY

Available only to qualified cogeneration or small power production facilities with a design capacity of over 100 kW which have executed a contract with Shelby Energy Cooperative, Inc. and East Kentucky Power Cooperative, Inc. ("EKPC") for the purchase of electric power by EKPC.

RATES

The rates set forth below shall be used as the basis for negotiating a final purchase rate with qualifying facilities pursuant to Section 7 of 807 KAR 5:054.

1. Capacity

- a. \$50.36 per kW per year is applicable if cogenerator or small power producer is dispatched by EKPC. (I)
- b. \$0.005851 per kWh is applicable if cogenerator or small power producer is not dispatched by EKPC. (R)

2. Energy – A base payment per kWh is listed below for a time-differentiated basis or a non-time differentiated basis for the specified years.

a. Time Differentiated Rates:

Year	Winter		Summer		
	On-Peak	Off-Peak	On-Peak	Off-Peak	
2009	\$0.06185	\$0.04866	\$0.05010	\$0.02755	(I)
2010	\$0.06360	\$0.04895	\$0.05801	\$0.03125	(I)
2011	\$0.06471	\$0.05037	\$0.06050	\$0.03358	(I)
2012	\$0.07310	\$0.05610	\$0.06526	\$0.03541	(I)
2013	\$0.06613	\$0.04911	\$0.07532	\$0.04113	(I)

b. Non-Time Differentiated Rates:

Year	2009	2010	2011	2012	2013	
Rate	\$0.04876	\$0.05186	\$0.05361	\$0.05916	\$0.05847	(I)

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE 8/1/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

ISSUED BY *Dellie Martin* TITLE President & CEO
By *W. D. Brown* Executive Director

DATE OF ISSUE March 31, 2009

DATE EFFECTIVE June 1, 2009

ISSUED BY *Dellie Martin*

TITLE President & CEO
By *W. D. Brown* Executive Director

Issued by authority of an Order of the Public Service Commission of Kentucky
Case No. 2008-00128 Dated August 20, 2008

Shelby Energy Cooperative, Inc.

The on-peak and off-peak energy rates are applicable during the hours listed below for each season:

Winter (October - April)

On-Peak 7:00 a.m. - 12:00 noon
5:00 p.m. - 10:00 p.m.

Off-Peak 12:00 noon - 5:00 p.m.
10:00 p.m. - 7:00 a.m.

Summer (May - September)

On-Peak 10:00 a.m. - 10:00 p.m.

Off-Peak 10:00 p.m. - 10:00 a.m.

TERMS AND CONDITIONS

1. All power from a Qualifying Facility (QF) will be sold only to EKPC.
2. Seller must provide good quality electric power within a reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
3. Qualifying Facility (QF) shall provide reasonable protection for EKPC and Shelby Energy Cooperative, Inc.
4. Qualifying Facility (QF) shall design, construct, install, own, operate, and maintain the Qualifying Facility in accordance with all applicable codes, laws, regulations, and generally accepted utility practices.
5. Qualifying Facility shall reimburse EKPC and Shelby Energy Cooperative, Inc. for all costs incurred as a result of interconnecting with the QF, including operation, maintenance, administration, and billing.

DATE OF ISSUE March 31, 2009

DATE EFFECTIVE June 1, 2009
PURSUANT TO 807 KAR 5:011

ISSUED BY Wesley Martin TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission
Case No. 2008-00128 Dated August 20, 2008

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SECTION 9(1)

By [Signature]
Executive Director

Shelby Energy Cooperative, Inc.

6. Qualifying Facility shall obtain insurance in the following minimum amounts for each occurrence:
 - a. Public Liability for Bodily Injury - \$1,000,000.00
 - b. Property Damage - \$500,000.00
7. Initial contract term shall be for a minimum of five years.
8. Qualifying Facilities proposing to supply as available (non-firm) electric power shall not be entitled to a capacity payment.
9. Qualifying cogeneration and small power production facilities must meet the definition set forth in 807 KAR 5:054 to be eligible for this tariff.
10. Updated rates will be filed with the Public Service Commission of Kentucky by March 31 of each year.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
6/1/2009
PURSUANT TO 807 KAR 5:011

DATE OF ISSUE March 31, 2009

DATE EFFECTIVE June 1, 2009 SECTION 9 (1)

ISSUED BY *Robert Martin* TITLE President & CEO

By *W. D. Brown*
Executive Director

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. 2008-00128 Dated August 20, 2008

Shelby Energy Cooperative, Inc.

COGENERATION AND SMALL POWER PRODUCTION
POWER PURCHASE RATE SCHEDULE
LESS THAN 100 kW

AVAILABILITY

Available only to qualified cogeneration or small power production facilities with a design capacity of less than 100 kW which have executed a contract with Shelby Energy Cooperative, Inc. and East Kentucky Power Cooperative, Inc. ("EKPC") for the purchase of electric power by EKPC.

RATES

1. Capacity

- a. \$50.36 per kW per year is applicable if cogenerator or small power producer is dispatched by EKPC. (I)
- b. \$0.005851 per kWh is applicable if cogenerator or small power producer is not dispatched by EKPC. (R)

2. Energy -- A base payment per kWh is listed below for a time-differentiated basis or a non-time differentiated basis for the specified years.

a. Time Differentiated Rates:

Year	Winter		Summer		
	On-Peak	Off-Peak	On-Peak	Off-Peak	
2009	\$0.06185	\$0.04866	\$0.05010	\$0.02755	(I)
2010	\$0.06360	\$0.04895	\$0.05801	\$0.03125	(I)
2011	\$0.06471	\$0.05037	\$0.06050	\$0.03358	(I)
2012	\$0.07310	\$0.05610	\$0.06526	\$0.03541	(I)
2013	\$0.06613	\$0.04911	\$0.07532	\$0.04113	(I)

b. Non-Time Differentiated Rates:

Year	2009	2010	2011	2012	2013	
Rate	\$0.04876	\$0.05186	\$0.0536	\$0.05916	\$0.05847	(I)

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE 6/1/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

DATE OF ISSUE March 31, 2009 DATE EFFECTIVE 6/1/2009

ISSUED BY Debbie Martin TITLE President & CEO Jeff D. Brown TITLE Executive Director

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. 2008-00128 Dated August 20, 2008

Shelby Energy Cooperative, Inc.

The on-peak and off-peak energy rates are applicable during the hours listed below for each season:

- Winter (October - April)
- On-Peak** 7:00 a.m. - 12:00 noon
5:00 p.m. - 10:00 p.m.
 - Off-Peak** 12:00 noon - 5:00 p.m.
10:00 p.m. - 7:00 a.m.
- Summer (May - September)
- On-Peak** 10:00 a.m. - 10:00 p.m.
 - Off-Peak** 10:00 p.m. - 10:00 a.m.

TERMS AND CONDITIONS

1. All power from a Qualifying Facility (QF) will be sold only to EKPC.
2. Seller must provide good quality electric power within a reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
3. Qualifying Facility (QF) shall provide reasonable protection for EKPC and Shelby Energy Cooperative, Inc.
4. Qualifying Facility (QF) shall design, construct, install, own, operate, and maintain the Qualifying Facility in accordance with all applicable codes, laws, regulations, and generally accepted utility practices.
5. Qualifying Facility shall reimburse EKPC and Shelby Energy Cooperative, Inc. for all costs incurred as a result of interconnecting with the QF, including operation, maintenance, administration, and billing.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
6/1/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By [Signature] Executive Director

DATE OF ISSUE March 31, 2009 DATE EFFECTIVE June 1, 2009
ISSUED BY [Signature] TITLE President & CEO

Issued by authority of an Order of the Public Service Commission
Case No. 2008-00128 Dated August 20, 2008

Shelby Energy Cooperative, Inc.

6. Qualifying Facility shall obtain insurance in the following minimum amounts for each occurrence:
 - a. Public Liability for Bodily Injury - \$1,000,000.00
 - b. Property Damage - \$500,000.00
7. Initial contract term shall be for a minimum of five years.
8. Qualifying Facilities proposing to supply as available (non-firm) electric power shall not be entitled to a capacity payment.
9. Qualifying cogeneration and small power production facilities must meet the definition set forth in 807 KAR 5:054 to be eligible for this tariff.
10. Updated rates will be filed with the Public Service Commission of Kentucky by March 31 of each year.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
6/1/2009
PURSUANT TO 807 KAR 5:011

DATE OF ISSUE March 31, 2009

DATE EFFECTIVE June 1, 2009 SECTION 9(1)

ISSUED BY

Debbie Martin
mgr

TITLE President & C

By *W. D. Brown*
Executive Director

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. 2008-00128 Dated August 20, 2008

Shelby Energy Cooperative, Inc

Section DSM – 3(a)

Direct Load Control Program – Residential

Purpose

The Direct Load Control Program will encourage the reduction in growth of peak demand, enabling East Kentucky Power Cooperative (“EKPC”) to utilize its system more efficiently, manage market purchases, and defer the construction of new generation.

Availability

This rate schedule is **not available** to Shelby Energy’s members currently served under Rate 10 (Optional Residential, Church and School Service) as these members are currently receiving rate incentives for Shelby Energy’s right to control these members’ loads at some future date.

The Direct Load Control Program is available to residential customers in the service territory of Shelby Energy Cooperative and will include the control of water heaters, air conditioners and heat pumps, and pool pumps.

Availability may be denied where, in the judgment of Shelby Energy Cooperative installation of the load control equipment is impractical.

Eligibility

To qualify for this Program, the participant must be located in the service territory of Shelby Energy Cooperative and have:

- 40-gallon (minimum) electric water heating units, and/or
- Central air conditioning or heat pump units, and/or
- Pool pumps.

The above appliances may be electrically cycled or interrupted in accordance with the rules of this Tariff.

The participant may either own or rent the residence where the qualifying appliances are located. The residence may be either a single-family structure or a multi-family apartment facility.

The participant is responsible for obtaining the permission of the owner of the rented residence to participate in the load control program. Shelby Energy Cooperative may require that a rental property agreement be executed between Shelby Energy Cooperative and the owner of the rented residence.

DATE OF ISSUE June 30, 2009

DATE EFFECTIVE August 9, 2009

ISSUED BY Debbie Martin TITLE Presi

OFFICER

Issued by authority of an Order of the Public Service Commission of KY
Case No. _____ Dated _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
8/1/2009
PURSUANT TO ORDER NO. 011
SECTION 9 (1)
BY [Signature]
Executive Director

Shelby Energy Cooperative, Inc

Program Incentives

Shelby Energy Cooperative will provide an incentive to the participants in this program for the following appliances.

Water Heaters. Shelby Energy Cooperative will credit the residential power bill of the participant \$10.00 per water heater per year. The participant will receive this credit regardless of whether the water heater is actually controlled.

Air Conditioners and Heat Pumps. Shelby Energy Cooperative will provide an incentive to the participants in this program. The participant may select one of two alternatives. The participant will receive one of these incentives regardless of whether the air conditioner or heat pump is actually controlled during any program month.

Alternative One. Shelby Energy Cooperative will credit the residential power bill of the participant \$20.00 per air conditioner (\$5 per summer months, June, July, August, and September).

Alternative Two. EKPC, on behalf of Shelby Energy Cooperative, will provide and install at no cost one or more digital thermostats as needed for control purposes.

After the initial selection of one of the alternatives, the participant may change to the other alternative subject to the following conditions:

- From bill credits to digital thermostats – The change in alternative will be permitted in any month except for the summer months of June through September. In addition, the participant will pay 50 percent of the installed cost of each digital thermostat.
- From digital thermostats to bill credits – The change in alternative will be permitted in any month except for the summer months of June through September. In addition, the participant will either reimburse EKPC, through Shelby Energy Cooperative, an amount equal to 50 percent of the original installed cost of each digital thermostat that was initially installed if the participant keeps the thermostat or pay 50 percent of the cost to remove each digital thermostat that was initially installed.
- Only one change in incentive alternatives will be permitted during a 12 month period.

DATE OF ISSUE June 30, 2009

DATE EFFECTIVE: August 1, 2009

ISSUED BY

Debbie Martin

TITLE

President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. _____ Dated _____

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By

J. D. Brown

Executive Director

For All Counties Served
P.S.C. No. 5
First Revised Sheet No. 98
Canceling PSC. ____
Original Sheet No. 98

Shelby Energy Cooperative, Inc

Pool Pumps. Shelby Energy Cooperative will credit the residential power bill of the participant \$10.00 per pool pump per year. The participant will receive this credit regardless of whether the pool pump is actually controlled.

When the qualifying appliances are located in rental residences, program incentives will be paid to the participant, regardless of whether the participant owns or rents the residence where the qualifying appliances are located. Nothing contained in this Tariff will prohibit a further disposition of the program incentive between the participant and the owner of a rented residence.

Time Periods for Direct Load Control Program

Water Heaters. A load control switch will be placed on the water heater and may be electrically interrupted for a maximum time period of four hours.

EKPC will cycle the water heaters only during the hours listed below.

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October through April	6:00 a.m. to 12:00 noon 4:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

Air Conditioners and Heat Pumps. A load control device (switch or thermostat) will be placed on each central air conditioning unit or heat pump that will allow the operating characteristics of the unit to be modified to reduce demand on the system. Communication to the load control device will be accomplished via AMR, AMI, or paging equipment.

EKPC will control the air conditioning units and heat pumps only during its summer on-peak billing hours listed below.

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
May through September	10:00 a.m. to 10:00 p.m.

Pool Pumps. A load control switch will be placed on the pool pump and may be controlled for a four hour curtailment during on peak days May through September. In addition, there may be a 50 percent cycling for the ensuing 2 hour recovery period to prevent creating a new peak.

DATE OF ISSUE June 30, 2009

DATE EFFECTIVE: August 1, 2009
8/1/2009

ISSUED BY *Debbie Martin*

TITLE President & Chief Executive Officer
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

Issued by authority of an Order of the Public Service Commission of K.

Case No. _____ Dated _____

By *Jeff Deaver*
Executive Director

Shelby Energy Cooperative, Inc

Terms and Conditions

1. Prior to the installation of load control devices, Shelby Energy Cooperative may inspect the participant's electrical equipment to insure good repair and working condition, but Shelby Energy Cooperative shall not be responsible for the repair or maintenance of the electrical equipment.
2. EKPC, on behalf of Shelby Energy Cooperative, will install, own, and maintain the load management devices controlling the participant's air conditioner, heat pump, or water heater. The participant must allow Shelby Energy Cooperative, or their representative, reasonable access to install, maintain, inspect, test and remove load control devices. Inability of Shelby Energy Cooperative to gain access to the load management device to perform any of the above activities for a period exceeding 30 days may, at Shelby Energy Cooperative's option, result in discontinuance of credits under this tariff until such time as Shelby Energy Cooperative is able to gain the required access.
3. Participants may join the program at any time during the year. Participants with water heaters and/or pool pumps will receive the first annual incentive within 12 months after the installation of the load control device. Participants with air conditioning or heat pump units who join during the months of June through September can select an incentive alternative as described in this Tariff. If the bill credit incentive is selected, bill credits will not begin until after the installation of the load control device and continue for the months remaining in the June to September time period for that year.
4. If a participant decides to withdraw from the program or change incentive alternatives, Shelby Energy Cooperative will endeavor to implement the change as soon as possible.
5. If a participant decides to withdraw from the program, the participant may not apply to rejoin the program for a period of 6 months. Returning participants for air conditioning and heat pump units will be required to initially select the bill credit alternative, but may change alternatives later as described in this Tariff.

DATE OF ISSUE June 30, 2009

DATE EFFECTIVE August 1, 2009
PUBLIC SERVICE COMMISSION
OF KENTUCKY
EXECUTIVE DIRECTOR
8/17/2009

ISSUED BY *Debbie Martin* TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. _____ Dated _____ PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By *J. Brewer*
Executive Director

Section DSM – 3(b)

Direct Load Control Program – Commercial

Purpose

The Direct Load Control Program will encourage the reduction in growth of peak demand, enabling East Kentucky Power Cooperative (“EKPC”) to utilize its system more efficiently, manage market purchases, and defer the construction of new generation.

Availability

This rate schedule is **not available** to Shelby Energy’s members currently served under Rate 13 (Optional Residential, Church and School Service) as these members are currently receiving rate incentives for Shelby Energy’s right to control these members’ loads at some future date.

The Direct Load Control Program is available to commercial customers in the service territory of Shelby Energy Cooperative and will include the control of air conditioners and water heaters.

Availability may be denied where, in the judgment of Shelby Energy Cooperative, installation of the load control equipment is impractical.

Eligibility

To qualify for this Program, the participant must be located in the service territory of a Shelby Energy Cooperative and have a central air conditioning unit and/or a 40-gallon (minimum) electric water heating unit. The appliance may be electrically cycled or interrupted in accordance with the rules of this Tariff.

The participant is responsible for obtaining the permission of the commercial property owner to participate in the load control program. Shelby Energy Cooperative may require that a rental property agreement be executed between Shelby Energy Cooperative and the owner of the rented commercial property.

Program Incentives

Shelby Energy Cooperative will provide an incentive to the participants in this program for the following appliances.

DATE OF ISSUE June 30, 2009

DATE EFFECTIVE August 1, 2009

ISSUED BY *Delvin Martin* TITLE Presi

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
8/1/2009

SECTION 9 (1)
e Officer

Issued by authority of an Order of the Public Service Commission of EK
Case No. _____ Dated _____

W. D. Brown
Executive Director

Shelby Energy Cooperative, Inc

Air Conditioners. The incentive will be based on the tonnage of the air conditioning unit. Units up to and including five tons will receive a monthly credit of \$5.00 per unit. Units over five tons will receive an additional monthly credit of \$1.00 per ton per unit. Shelby Energy Cooperative will credit the commercial power bill of the participant the applicable incentive credit during the months of June through September. The participant will receive the incentive regardless of whether the air conditioner is actually controlled during any program month.

Water Heaters. Shelby Energy Cooperative will credit the commercial power bill of the participant \$10.00 per water heater per year. The participant will receive this credit regardless of whether the water heater is actually controlled.

Time Period for Direct Load Control Program

Air Conditioners. A load control device will be placed on each central air conditioning unit that will allow the operating characteristics of the unit to be modified to reduce demand on the system. Communication to the load control device will be accomplished via AMR, AMI, or paging equipment.

EKPC will control the air conditioning units only during its summer on-peak billing hours listed below:

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
May through September	10:00 a.m. to 10:00 p.m.

Water Heaters. A load control switch will be placed on the water heater and may be electrically interrupted for a maximum time period of four hours.

EKPC will cycle the water heaters only during the hours listed below.

<u>Months</u>	<u>Hours Applicable for Demand Billing - EST</u>
October through April	6:00 a.m. to 12:00 noon 4:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

DATE OF ISSUE June 30, 2009

DATE EFFECTIVE: August 1, 2009

ISSUED BY *Dennis Martin*

TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. _____ Dated _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
8/1/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By *J. D. Brown*
Executive Director

Shelby Energy Cooperative, Inc

Terms and Conditions

1. Prior to the installation of load control devices, Shelby Energy Cooperative may inspect the participant's electrical equipment to insure good repair and working condition, but Shelby Energy Cooperative shall not be responsible for the repair or maintenance of the electrical equipment.
2. EKPC, on behalf of Shelby Energy Cooperative, will install, own, and maintain the load management devices controlling the participant's air conditioner unit or water heater. The participant must allow Shelby Energy Cooperative, or their representative, reasonable access to install, maintain, inspect, test and remove load control devices. Inability of Shelby Energy Cooperative to gain access to the load management device to perform any of the above activities for a period exceeding 30 days may, at Shelby Energy Cooperative's option, result in discontinuance of credits under this tariff until such time as Shelby Energy Cooperative is able to gain the required access.
3. Participants may join the program at any time during the year. Participants with air conditioning who join during the months of June through September will receive bill credits beginning after the installation of the load control device and continuing for the months remaining in the June to September time period for that year. Participants with water heaters will receive the first annual incentive within 12 months after the installation of the load control device.
4. If a participant decides to withdraw from the program, Shelby Energy Cooperative will endeavor to implement the withdrawal as soon as possible. If a participant decides to withdraw from the program, the participant may not apply to rejoin the program for a period of 6 months.

DATE OF ISSUE June 30, 2009

DATE EFFECTIVE August 1, 2009

ISSUED BY *Dennis Martin*

TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. _____ Dated _____

<p>PUBLIC SERVICE COMMISSION OF KENTUCKY 8/1/2009 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)</p> <p>By <u><i>J. D. Boen</i></u> Executive Director</p>

Form for filing Rate Schedule

FOR All Territory Served
Community, Town or City

P.S.C. No. 5

Original Sheet No. 103

Shelby Energy Cooperative, Inc.
Shelbyville, KY

Name of Issuing Corporation

CLASSIFICATION OF SERVICE	
GENERAL SERVICE - RATE 11	Rate Per Unit
<u>AVAILABILITY</u>	
Available for commercial, small power and non-residential purposes for single phase and three phase loads below 50 kW, subject to the established Rules and Regulations.	
<u>TYPE OF SERVICE:</u>	
Single phase and three phase, 60 Hertz, at available secondary voltage.	
<u>MONTHLY RATE:</u>	
Consumer Facility Charge:	
Single Phase Service	\$ 12.52
Three Phase Service	\$ 32.56
Energy Charge per kWh:	\$0.09308
<u>MINIMUM MONTHLY CHARGE:</u>	
The minimum monthly charge under this schedule shall be the consumer facility charge. Where it is necessary to extend or reinforce existing facilities, the minimum charge may be increased to assure adequate compensation for added facilities.	
<u>TERMS OF PAYMENT:</u>	
The above rates are net; the gross rates are 10% higher. In the event the current monthly is not paid by the due date as shown on the bill, the gross rate shall apply.	

DATE OF ISSUE December 31, 2009

DATE EFFECTIVE; February 1, 2010

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

Original Sheet No. 104

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

CLASSIFICATION OF SERVICE	
GENERAL SERVICE - RATE 11	Rate Per Unit
<p><u>FUEL ADJUSTMENT CLAUSE:</u></p> <p>This rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.</p> <p><u>SPECIAL RULES:</u></p> <p>Motors having a rated capacity in excess of ten horsepower (10HP) must be three-phase. Motors in excess of five horsepower (5HP) shall be provided with compensating starting equipment acceptable to the Seller.</p> <p><u>TEMPORARY SERVICE:</u></p> <p>Consumers requiring temporary service under this rate may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover the estimated consumption of electricity. Both fees will be paid in advance.</p>	(N)

DATE OF ISSUE December 31, 2009

DATE EFFECTIVE; February 1, 2010

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
 Original Sheet No. 105

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

CLASSIFICATION OF SERVICE	
RESIDENTIAL SERVICE - RATE 12	Rate Per Unit
<p><u>AVAILABILITY</u></p> <p>Available for residential homes for loads below 50 kW, subject to the established Rules and Regulations</p> <p><u>TYPE OF SERVICE:</u></p> <p>Single phase service for residential dwellings.</p> <p><u>MONTHLY RATE:</u></p> <p>Consumer Facility Charge: \$ 9.75 Energy Charge per kWh: \$ 0.09308</p> <p><u>MINIMUM MONTHLY CHARGE:</u></p> <p>The minimum monthly charge under this schedule shall be the consumer facility charge. Where it is necessary to extend or reinforce existing facilities, the minimum charge may be increased to assure adequate compensation for added facilities.</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 is not paid by the due date as shown on the bill, the gross rate shall apply.</p>	(N)

DATE OF ISSUE December 31, 2009

DATE EFFECTIVE; February 1, 2010

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
Original Sheet No. 106

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

CLASSIFICATION OF SERVICE	
RESIDENTIAL SERVICE - RATE 12	Rate Per Unit
<p><u>FUEL ADJUSTMENT CLAUSE:</u></p> <p>This rate may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. The Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.</p> <p><u>SPECIAL RULES:</u></p> <p>Motors having a rated capacity in excess of ten horsepower (10HP) must be three-phase. Motors in excess of five horsepower (5HP) shall be provided with compensating starting equipment acceptable to the Seller.</p> <p><u>TEMPORARY SERVICE:</u></p> <p>Consumers requiring temporary service under this rate may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, a deposit will be required to cover the estimated consumption of electricity. Both fees will be paid in advance.</p>	(N)

DATE OF ISSUE December 31, 2009

DATE EFFECTIVE; February 1, 2010

ISSUED BY _____
Name of Officer

TITLE: President & CEO

Official Notice

Shelby Energy Cooperative, Inc., with its principal office at Shelbyville, Kentucky, and with its address as 620 Old Finchville Road, Shelbyville, Kentucky 40065, intends to file with the Kentucky Public Service Commission in Case No. 2009-00410 an application to adjust its retail rates and charges. This Adjustment will result in a general rate increase to the member-consumers of Shelby Energy Cooperative, Inc.

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

Any corporation, association, body politic, or person may by motion within thirty (30) days after publication or mailing of notice of the proposed rate changes request leave to intervene. The motion shall be submitted to the Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602, and shall set forth the grounds for the request including the status and interest of the party. Any person who has been granted intervention by the Commission may obtain copies of the rate application and any other filings made by the utility by contacting Debbie Martin, Shelby Energy Cooperative, Inc., 620 Old Finchville Road, Shelbyville, Kentucky 40065, phone 502-633-4420.

Any person may examine the rate application and any other filings made by the utility at the office of Shelby Energy Cooperative, Inc. or at the Commission's office.

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

Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602
502-564-3940

The amount and percent of increase are listed below:

<u>Rate Class</u>	<u>Increase</u>	
	<u>Dollar</u>	<u>Percent</u>
Residential - Rate 12 (formerly Rate 1 & 10)	\$2,332,219	12%
General Service - Rate 11 (formerly Rate 1 & 10)	\$219,462	10%
Large Power Service - Rate 2	\$221	0%
Outdoor and Street Lighting - Rate 3	\$77,662	18%

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


<u>Rate Class</u>	<u>Increase</u>	
	<u>Dollar</u>	<u>Percent</u>
Residential - Rate 12 (formerly Rate 1 & 10)	\$16	12%
General Service - Rate 11 (formerly Rate 1 & 10)	\$6	10%

The present and proposed rate structures are listed below:

<u>Rate Class</u>	<u>Rates</u>	
	<u>Present</u>	<u>Proposed</u>
Residential - Rate 12 (formerly Rate 1 & 10)		
Consumer facility charge (Rate 1)	\$7.92	\$9.75
Consumer facility charge (Rate 10)	\$12.52	\$9.75
Energy charge per kwh	\$0.079340	\$0.093080
Energy charge per kwh (Rate 1)		
First 600 kwh	\$0.091930	-
Next 1,400 kwh	\$0.089990	-
All over 2,000 kwh	\$0.088540	-
Energy charge per ETS	\$0.053120	\$0.065190
General Power - Rate 11 (formerly Rate 1 & 10)		
Consumer facility charge (Rate 1)	\$7.92	\$12.52
Consumer facility charge (Rate 10)	\$12.52	\$12.52
Consumer facility charge - Three phase	\$32.56	\$32.56
Energy charge per kwh	\$0.079340	\$0.093080
Energy charge per kwh (Rate 1)		
First 600 kwh	\$0.091930	-
Next 1,400 kwh	\$0.089990	-
All over 2,000 kwh	\$0.088540	-
Large Power Service - Rate 2		
Consumer facility charge	-	\$50.15
Demand charge per kw	\$4.97	\$4.97
Energy charge per kwh	-	\$0.068230
Energy charge per kwh		
First 100 kwh per kw	\$0.076760	-
Next 100 kwh per kw	\$0.070610	-
All over 200 kwh per kw	\$0.064480	-
Outdoor and Street Lighting - Rate 3		
100 Watt HPS Security Light	\$7.86	\$9.31
100 Watt Decorative Colonial Light	\$10.50	\$12.44
400 Watt Directional Flood Light	\$16.43	\$19.46
250 Watt Directional Flood Light	\$11.73	\$13.90
150 Watt Decorative Acorn	\$12.61	\$14.94
Cable Television Attachments		
2 party Pole Attachments	\$1.95	\$5.42
2 party Anchor Attachments	\$1.59	\$7.02
2 party Ground Attachments	\$0.44	\$0.24
3 party Pole Attachments	\$1.68	\$4.60
3 party Anchor Attachments	\$1.06	\$4.63
3 party Ground Attachments	\$0.27	\$0.15
Nonrecurring charges		
Return check	\$10.00	\$25.00
Collection	\$25.00	\$30.00
Reconnect for disconnect	\$25.00	\$35.00
Meter Test	\$25.00	\$32.50
Overtime	\$75.00	\$75.00



Shelby Energy
Cooperative, Inc.

Your Touchstone Energy® Partner 

October 8, 2009

RECEIVED

OCT 13 2009

PUBLIC SERVICE
COMMISSION

Jeff Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Case No: 2009-00410

Dear Mr. Derouen:

This is to advise, in accordance with the Commission's Administrative Regulation 807 KAR 5:001, Section 11(2), that after 30 days from October 8, 2009, Shelby Energy Cooperative, Inc. intends to file an application for an increase in its retail rates based on a historical test year ending July 31, 2009.

If there are any questions concerning this matter, please contact me at your convenience.

Respectfully submitted,



Debbie Martin, President & CEO

Copy to:

Attorney General
Utility Intervention and Rate Division
1024 Capital Center Drive
Frankfort, Kentucky 40601

Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet



Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

David L. Armstrong
Chairman

James Gardner
Vice Chairman

Charles R. Borders
Commissioner

Debbie Martin
Shelby Energy Cooperative, Inc.
620 Old Finchville Road
Shelbyville, KY 40065

October 12, 2009

RE: Case No 2009-00410
Shelby Energy Cooperative, Inc.
(General Rates)

Notice of Intent to File Application for an Increase in Retail Rates Based on Historical
This letter is to acknowledge receipt of notice of intent to file an application in the above case. The notice was date-stamped received October 12, 2009 and has been assigned Case No 2009-00410. In all future correspondence or filings in connection with this case, please reference the above case number.

If you need further assistance, please contact my staff at (502) 564-3940.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen".

Jeff Derouen
Executive Director

JD/rs

SHELBY ENERGY COOPERATIVE, INC.

Board Resolution

**AUTHORIZATION TO THE PRESIDENT & CEO TO FILE FOR A
RATE INCREASE WITH THE KENTUCKY PUBLIC SERVICE
COMMISSION**

WHEREAS, to provide its members with a reliable source of power it is the opinion of the Board of Directors of Shelby Energy Cooperative, Inc. that a rate increase is necessary to maintain Shelby Energy Cooperative, Inc. in a sound financial condition, and

WHEREAS, the Board of Directors of Shelby Energy Cooperative, Inc. hereby authorizes and directs its' President & CEO, Debbie Martin, to file with the Kentucky Public Service Commission for a rate increase.

NOW, THEREFORE BE IT RESOLVED, that this resolution was properly authorized by the Board of Directors during a monthly Board of Directors meeting held on December 17, 2009.

I, Roger Taylor Secretary/Treasurer of the Shelby Energy Cooperative, Inc. hereby certify that the foregoing is a full, true, and correct copy of the Resolution duly passed by the Board of Directors of Shelby Energy Cooperative, Inc. at a meeting duly called and held in compliance with the By-Laws of the Cooperative on the 17th day of December, 2009, at which meeting a quorum was present, and that the Resolution as set out above appears in the minutes of that meeting in the Minutes Book of the Cooperative dated this 17th day of December, 2009.



ROGER TAYLOR, SECRETARY / TREASURER

Shelby Energy Cooperative, Inc.
Case No. 2009-00410
Revenue Analysis
July 31, 2009

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<u>Rate Schedule</u>	<u>Kwh Useage</u>	<u>Test Year Revenue</u>	<u>Percent of Total</u>	<u>Normalized Case No. 2008-0536</u>	<u>Percent of Total</u>	<u>Proposed Revenue</u>	<u>Percent of Total</u>	<u>Increase Amount</u>	<u>Percent</u>
Rate 1, General Service	104,466,460	\$8,754,199	29%	\$10,312,536	28%	\$10,807,653	28%	\$495,116	4.8%
Rate 2, Large Power Service	37,492,120	2,682,522	9%	3,162,537	9%	3,162,758	8%	221	0.0%
Rate 3, Outdoor and Street Lighting	2,305,054	376,795	1%	420,846	1%	498,508	1%	77,662	18.5%
Off Peak Marketing Rate (ETS)	477,208	21,006	0%	25,349	0%	31,109	0%	5,760	22.7%
Rate 10, Optional Residential, Chur	139,076,969	10,054,585	33%	12,055,527	33%	13,745,983	35%	1,690,456	14.0%
Schedule B1, Large Industrial Rate	118,062,866	6,745,999	22%	8,232,136	22%	8,232,136	21%	0	0.0%
Schedule B2, Large Industrial Rate	36,694,268	1,911,700	6%	2,381,732	7%	2,381,732	6%	0	0.0%
Envirowatts	123,800	3,497	0%	3,497	0%	3,497	0%	0	0.0%
Rounding differences						(1,018)		(1,018)	
Total from base rates	<u><u>438,698,745</u></u>	30,550,303	100%	<u><u>\$36,594,161</u></u>	100%	<u><u>\$38,862,358</u></u>	100%	<u><u>\$2,268,197</u></u>	6.2%
Fuel adjustment billed		3,875,174							
Environmental surcharge billed		<u>2,112,848</u>							
		<u><u>\$36,538,325</u></u>							
Increase				<u><u>\$6,043,858</u></u>		<u><u>\$2,268,197</u></u>			
				19.78%		6.20%			

Shelby Energy Cooperative
Case No. 2009-00410
Explanation of Changes

All revenues were normalized using rates that went into effect in connection with rolling in the fuel adjustment to the base rates, in Case No. 2008-00536, effective July 2009.

The proposed rate increase was allocated in the following manner:

Rate 12 – Residential The consumer facility charge was increased for Rate 1 and decreased for Rate 10 based on the Cost of Service Study (“COSS”), included as Exhibit R of the Application. The step rates were eliminated. The remaining increase in this rate schedule was in the energy charge. Residential consumers were included in both Rate 1 and Rate 10, these have been separated so that Rate 12 only contains residential consumers.

Schedule ETS – Time of Use Marketing The energy charge was determined based on the COSS.

Rate 11 – General Service The consumer facility charge was increased for Rate 1 and remained the same for Rate 10 based on the Cost of Service Study (“COSS”), included as Exhibit R of the Application. The step rates were eliminated. The remaining increase in this rate schedule was in the energy charge. Non residential consumers were included in both Rate 1 and Rate 10, these have been separated so that Rate 11 only contains non residential consumers.

Rate 2 – Large Power Service The consumer facility charge was incorporated based on the COSS. The step rates were eliminated. The energy charge was determined to make the rate class revenue neutral. Any amount of increase/decrease is due to rounding only.

Rate 3 – Outdoor and Street Lighting These increases were based on the COSS.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF ADJUSTMENT OF RATES
OF SHELBY ENERGY COOPERATIVE, INC.

CASE NO. 2009-00410

PREPARED TESTIMONY OF DEBBIE MARTIN

Q1. Would you please state your name and business address.

A1. Debbie Martin, with a business address of 620 Old Finchville Road, Shelbyville, Kentucky 40065.

Q2. What is your occupation?

A2. President & CEO for Shelby Energy Cooperative, Inc. ("Shelby Energy").

Q3. How long have you been employed at Shelby Energy?

A3. I was employed in May 1989 as a Customer Service Representative, promoted to Manager of Office Services in January 2000 then promoted to the position of President & CEO in January 2007.

Q4. What is your education and work experience?

A4. I graduated from McKendree College in 1993 with a Bachelor of Science degree in business administration.

Q5. Are you familiar with the contents of the Notice Application of Shelby Energy which has been filed with this Commission to commence this Case?

A5. Yes,

Q6. Please state whether the statements of facts contained in this Notice are true.

A6. Yes. To the best of my knowledge and belief, the statements of facts contained in this Application are true.

Q7. Are you familiar with the exhibits which are filed with and form a part of the Notice Application of this Case?

A7. Yes. I worked with Jim Adkins, Consultant, in the preparation of these exhibits, and I am familiar with them. In my opinion, the factual material contained in this Application are correct.

Q8. When was the last General Rate Application filed by Shelby Energy?

A8. The last General Rate Application filed by Shelby Energy was in 1983.

Q9. What is the purpose of this Notice of Application of Shelby Energy to this Commission?

A9. To seek an increase in rates in an amount necessary to obtain a Times Interest Earned Ratio ("TIER") of 2.0.

Q10. What considerations were given to increase the rates and charges of Shelby Energy .

A10. The purpose of this Application is to provide support the fact that Shelby Energy needs the requested rate relief that is being sought in this rate application. Shelby Energy has filed this application due to its need to meet certain financial ratios as required by its mortgage agreements with its lenders: the Rural Utilities Service ("RUS") and the National Rural Utilities Cooperative Finance Corporation ("CFC"). According to those mortgage agreements, Shelby Energy is required to maintain a Net TIER of 1.25 and an Operating TIER of 1.1. In addition, this application is necessary for Shelby Energy to continue to pay capital credits and maintain adequate equity and cash reserves.

Q11. What is the Test Year used by Shelby Energy for its financial data compiled to the Commission in the Application?

A11. The twelve months ended July 31, 2009 was selected as the Test Year. The management and Board of Directors of Shelby Energy review the operations and TIER on a monthly basis. Noting the steady decline in margins and TIER, the Board of Directors authorized an Application to be prepared to increase rates and charges sufficient to obtain a TIER of 2.0.

Q12. How was the proposed increase in revenues of \$2,262,336 allocated to rates?

A12. Shelby Energy and Jim Adkins have prepared a Cost of Service Study and based its rate design on this study.

Q13. Why was a TIER of 2.0x requested?

A13. The financial condition of Shelby Energy Cooperative, Inc. has deteriorated substantially since 2005. In order to continue to meet debt service obligations, operating costs and maintain the minimum joint mortgage agreement requirements, it was necessary to request a TIER of 2.0 in this Application.

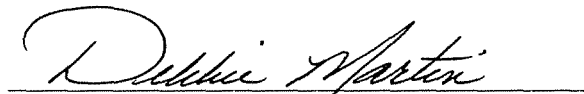
Q14. In your opinion, are the adjusted rates requested in this Case by Shelby Energy Cooperative, Inc. necessary to maintain the financial integrity of the Cooperative?

A14. Yes. To enable Shelby Energy to maintain its financial integrity, it is necessary that it be permitted to increase its rates as proposed in this Application.

Q15. Does this conclude your testimony in this case?

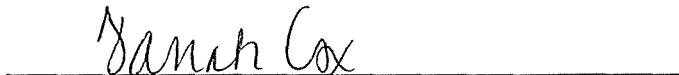
A15. Yes, it does.

Affiant, Debbie Martin, states that the answers given by her to the foregoing questions are true and correct to the best of her knowledge and belief.



Debbie Martin, General Manager & CEO

Subscribed and sworn to before me by the affiant, Debbie Martin, this 29th day of December, 2009.



Notary Public, Kentucky State at Large

My Commission expires. 10/2/11.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE ADJUSTMENT)
OF RATES OF SHELBY ENERGY) CASE NO. 2009-00410
COOPERATIVE CORPORATION)

PREPARED TESTIMONY OF JAMES R. ADKINS

Q1. State your name and business address.

A1. I am James R. Adkins and my business address is 1041
Chasewood Way, Lexington, KY 40513-1731.

Q2. What has been your role in this application?

A2. My role in this application has been to determine the
revenue requirement needs and amount of additional revenue
needed, to complete a cost of service study ("COSS") for
Shelby Energy Cooperative ("Shelby") and to provide some
alternative rate options that may be appropriate for Clark.
Specifically, I am responsible for the development of the
revenue requirements for Shelby, the determination of the
amount of increase, the completion of the cost of service
study, and the construction of the proposed rate design
contained in this application.

Q3. What is your professional experience in the area of
electric utility rate-making?

A3. I have spent the last thirty-two plus years dealing with electric utility rates. I was employed by EKPC as its Pricing Manager for almost twenty-five years. I spent a little over one year with the Prime Group, LLC and I have been self-employed for the last six and one half years. Prior to my electric utility career, I was employed in the finance and accounting areas of the medical care field for close to eight years. I also served in the U.S. Army as an infantryman in the Republic of Vietnam in the late 1960s.

Q4. What is your educational background?

A4. I received a Bachelors Degree in Commerce with a major in banking and finance in 1971 and a Masters of Science in Accounting in 1976. Both of my degrees were granted by the University of Kentucky. Since then, I have attended several seminars, conferences and courses on rate-making as well as a presenter at many conferences and seminars of electric utility rate-making, cost of service studies, and rate design.

Q5. Have you ever appeared as a witness before this Commission?

A5. I have appeared as a witness before this Commission many times in rate applications, applications for certificates of public convenience and necessity, fuel adjustment clause hearings, and administrative cases. I have testified on the behalf of East Kentucky Power Cooperative ("EKPC") and for all of EKPC's member cooperatives and for other distribution cooperatives.

Q6. What is the primary reason that Shelby needs an increase in electric rates?

R6. The primary reason as to why Shelby needs an increase its electric rates is the need for an increase in current margins so that may remain in compliance with its mortgage agreements on Times Interest Earned Ratio ("TIER") of 2.0X and on Operating Times Interest Earned Ration ("OTIER") of 1.10X. Shelby had a TIER of 1.34X and an OTIER of 1.14X for the test year and a TIER and OTIER for the adjusted test year of 0.66X and 0.67X respectively. The actual test year contain G&T Capital Credits ("GTCCs") of \$350,180 which are removed from the Statement of Operations for rate-making purposes.

Q7. What TIER amount or level is Shelby seeking in this application?

R7. Shelby is requesting a TIER of 2.0X. With a TIER of 2.0X where margins would then be equal to the interest expense on long term debt.

Q8. What adjustments to the test year financial statements is Shelby proposing?

R8. Shelby is proposing the normal test year adjustments to its test year financial statements. It is proposing a total of seventeen (17) adjustments including five (5) revenue adjustments and twelve (12) expense adjustments. Included in these adjustments is the normalization of revenue and purchased power costs for the rates placed into

effect in April due to the increase in the fuel base in the wholesale power rates of EKPC.

Q9. What is the purpose of the cost of service study in this application?

A9. The purpose of the cost of service in this rate application is the following:

- one) it provides the costs to serve each rate class as well as the total revenue requirements for each class;
- two) it provides guidance in the development of the amount of rate increases for each rate class; and
- three) it provides a breakdown of the cost to serve into segments that are useful for rate design purposes.

Q10. Please explain the Cost of Service Study ("COSS") filed in this application?

A10. The COSS presented in this application follows the standard process of the functionalization of costs, the classification of costs and the allocation of costs to the various rate classes. This COSS has six (6) major sections in it. These sections are listed below:

- Test year revenue requirements;
- The functionalization of costs into the appropriate functions of purchased power, lines, transformers, services, meters, consumer services and accounting, and lighting;

- The classification of costs as either demand-related, energy-related or consumer-related;
- The allocation of the classified costs to the individual rate classes;
- The determination of the amount of rate increase for each rate class; and
- The development of the proposed rate design.

Each one of these sections will be discussed in its order within Exhibit R.

Q11. Please explain Schedule 1 in the COSS?

A11. Schedule 1 is the determination of the overall revenue requirements of Shelby Energy presented by each expense account number. It presents the test year actual expenses, the adjustments to the test year, and the adjusted test year. It is presented in a manner that is utilized in the COSS process. As a part of Schedule 1 is a schedule on payroll expenses that has been utilized in the allocation of the test year adjustments to appropriate expenses category. These payroll expenses are also utilized in the functionalization of the test year expenses. The adjusted test year amount provides the total revenue requirements for Shelby Energy.

Q12. Please explain Schedule 2 of the COSS?

A12. Schedule 2 is a functionalization of the expenses from Schedule 1 into their appropriate function. Schedule 2 also has a section with footnotes which identifies and explains the basis for how some of the test year expenses

are allocated to the proper function. A section of this schedule also contains the allocation of the Net Investment Rate Base to its proper functions and it is utilized to allocate some of the test year expenses to the functional area. These functional areas are then classified as either demand-related, energy-related or consumer-related in Schedule 3.

Q13. Would you explain Schedule 3?

A13. Schedule 3 is the classification of expenses as being demand-related, energy-related or consumer related. Distribution line expenses (poles and conduit) and distribution transformer expenses contain both demand-related expenses and consumer-related expenses. Distribution expenses for services, meters, and consumer services and accounting are all considered to be customer-related. Purchased power contains a demand-related component, which are the demand charges, and an energy-related component, which are the energy charges. The metering point and the substation charges are considered to be demand-related.

Q14. What is the basis for the division of the distribution line expenses and the transformer expenses into a demand-related component and a customer-related component?

Q14. The basis for the determination of the demand-related and energy related expenses are the use of one of two methods: 1) the minimum size method and 3) the 'Zero-intercept'. These methods are applied to data from Shelby's Continuous Property Records ("CPRs") for Accounts

364-Poles, 365-Overhead Conductor, and 368-Transformers. The approach for the zero-intercept method is to determine the no load or no demand component for each account. The zero load amount is then utilized as a basis to determine the customer-related investment and its percent of the total investment for the accounts listed above. The residual amount and percentage is considered to be demand-related. For the minimum size method, the cost of the minimum size unit multiplied by the total number of units is utilized to determine the customer component of each investment while the remaining amount is considered demand related. Correspondingly, the expenses associated with these accounts are then proportioned as either demand related or consumer related based on the investment proportions. The minimum size method was used to determine the demand related and consumer related components for accounts 364-poles, and 365-overhead conductor. The zero-intercept method was used for account 368-transformers. The percentages for the demand-related component and the customer-related component are then applied to the test year expenses to determine the amount of expenses that are demand-related and customer-related.

Q15. Explain Schedule 4?

A15. Schedule 4 is the allocation of the classified expenses to Shelby's electric rate classes. The demand related expenses are allocated on two different bases. The demanded-related purchased power costs are allocated to the appropriate rate classes proportional to the sum of each rate class's contribution to EKPC's monthly billing peak. The distribution demand-related costs for lines and

transformers are allocated proportionally on the basis of the sum of each rate class's monthly peak demand for the test year. The purchased power energy-related costs allocated to the rate classes proportional on retail energy sales for the test period.

The customer-related costs for each customer-related segment are allocated differently. For lines, the allocation is proportional based on number of customers. For transformers, the allocation is proportionally weighted based on the number of consumers and the investment in the minimum size transformer for each rate class. For services, it is based on the number of customers and the minimum investment applied to the average length of the service for each rate class. For meters, the number of customers and the minimum size meter is used to allocate these expenses. For consumer services and accounting, the allocation is based on weighting factors on that considers the number of consumers, the billing complexity or billing units per rate class for consumer records. Meter reading is also utilized to differentiate the different types of meter data need from the various rate classes. The number of customers is also a factor in this to determine the proper allocation. Sections of this schedule contain the basis for the allocation of the classified expenses to each rate class.

Q16. What is included in Schedule 5?

A16. Schedule 5 provides a comparison of the revenue from the current rates for each rate class with costs to serve each rate class from Schedule 4. This comparison will

provide how much increase or decrease each rate class should receive based on the results of the COSS. Also, Schedule 5 provides how Shelby is proposing to spread its overall requested increase among its various rate classes. Shelby is fully cognizant of the original purpose of the rural electrification program and its emphasis upon the rural farms and homes and has attempted to integrate this concept into its proposed increase for each rate class. Based on the results of the cost of service study, the rate classes that should have an increase in rates are these:

- General Service - Rate 1
- Outdoor and Street Lighting Service - Rate 3, and
- Optional Residential, Church and School Service - Rate 10.

Q17. Are these the rate classes that will receive an increase in their rates?

A17. These are the rate classes that will receive an increase in their rates.

Q18. What else is Shelby proposing in regards to rate classes?

A18. Shelby has two rate classes that contain both residential consumers and non-residential consumers. These rate classes are General Service - Rate 1 and Optional Residential, Church and School Service - Rate 10. It is Shelby's desire and proposal to have two rate schedules with one for residential consumers and the other for non-residential consumers. The process that has been utilized to accomplish this proposal has been to develop the cost of

service study and the revenue requirements for each on the basis of the current rate class structure. The combined billing units and revenue requirements for Rates 1 and 10 are then utilized to develop the proposed rate structure for the new rate classes. The proposed rate classes are identified as General Service - Rate 11 for the non-residential consumers and Residential Service - Rate 12.

Q19. What is the proposed rate design for these two new rate classes?

R19. The proposed rate design for these two new rate classes has been developed with the approach to have a simple and understandable rate design as possible with the potential for providing a variety of rate options in the future to promote energy efficiency. It is believe that a rate structure with a consumer facility charge and an energy charge to be the appropriate rate structure for this approach. Schedule 6 contains the proposed rate design in this application.

Q20. What is the purpose for Schedule 6?

A20. Schedule 6 provides the development of the proposed rate design submitted as a part of this application. The results of the COSS have used as a general guide in the development of the proposed rates. The proposed rate design for each rate class is discussed as follows:
Rate 11 - General Service and Rate 12 - Residential Service

Shelby is proposing the following rate design for these two new rate classes. The proposed rate design for these two classes is being developed collectively

	<u>Rate 11</u>	<u>Rate 12</u>
Consumer Facility Charge		
Single Phase	\$12.52	\$9.75
Three Phase	\$32.56	NA
Energy Charge per kWh	\$0.09308	\$0.09308

The same energy rate seemed appropriate for both rate classes while some differentiation in the consumer charge seemed appropriate. The investment for the minimum size consumer for the non-residential rate class in Rate 11 is greater and justifies a higher consumer charge for the general service customers. The consumer charges proposed for this rate class are the same as the consumer charges as contained in the current Rate 10 schedule. The proposed consumer charge for Rate 12 has been set at \$9.75 while the consumer charge in the current Rate 1 is \$7.92. This is Shelby's way of broaching the rate-making concepts of gradualism and continuity. A customer charge of \$24.92 (consumer related costs divided by the number of customer charges) is justified based on the cost of service study for either rate class. However, it is not Shelby's desire to request a customer charge at that large amount at this time

Off-Peak Retail Marketing Rate (ETS):

The rate schedule applies to customers who have ETS units to be charged during off-peak hours. Shelby is proposing to change how the energy rate for this rate class is developed. In the past, the energy rate has been set an amount that is equal to sixty percent (60%) of the lowest step energy rate for Rate 1. This approach worked well when fuel prices were stable. However, with the increased

volatility of fuel prices and fuel adjustment roll-ins by Shelby's wholesale power supplier, the energy rate for this schedule increase by an amount equal to sixty percent of the increase that Shelby received in its wholesale power rates. The result has been that Shelby's gross margin on this rate class has decreased significantly. (Gross margin is rate revenue minus wholesale power costs.) Shelby is proposing that this rate be based on the cost to serve from the COSS and has been computed to be \$0.06519 per kWh. In the future, this rate class would receive a fuel adjustment roll-in amount equal to the increase in energy rates for all other rate classes.

Rate 2 - Large Power Service

Shelby's cost of service study does not support an increase in the revenue requirements for this rate class and Shelby is not proposing any increase. Shelby is proposing two changes to the rate structure for this rate class. A consumer charge is being proposed this rate class in the amount of \$50.15 and is based on the consumer related revenue requirements from the cost of service study. Additionally, Shelby is proposing to eliminate the kWh per kW energy steps into one simple energy step. This energy step is based on the current revenue generated by the current energy rates. Shelby feels that the proposed rate structure to be simpler but more appropriate than the current one.

Outdoor and Street Lighting Service - Rate 3

Shelby is proposing to increase each one the current rates for lighting by the same percentage amount based on

the percentage increase in revenue requirements from the cost of service study.

All Other Rate Schedules:

Shelby is not proposing any changes to any of the other rate schedules that have not been specifically mentioned above.

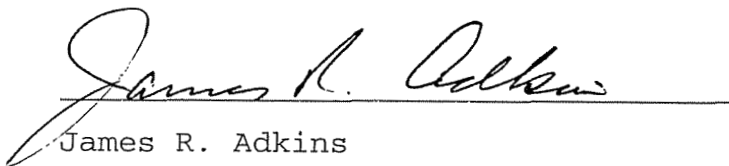
Q21. Is Shelby's requested increase, its proposed allocation of the increase to its rate classes and its rate design justified in your opinion?

A21. It is my opinion that the requested increase is completely justified. Shelby sought its last rate increase 1983 which is approximately twenty-six (6) years ago. The allocation of the increase provides a reasonable balance between the results of the COSS and the current rate levels and is consistent with current rate-making principles. The proposed rate design may contain the least amount of justification of because it does deviate from the COSS much more than the other two areas. It deviates more by not proposing a customer charge closer to the results of the COSS. It deviates the most significantly in the customer charge area for the proposed schedules of General Service - Rate 11 and Residential Service - Rate 12 in the fact that the proposed customer charge leaves approximately \$2,670,000 of customer related costs to be recovered through the energy rate. I also feel that the proposed changes to Large Power Service - Rate 2 to be appropriate ones and make the rate structure simpler and easier to understand.


Q22. Does this conclude your testimony?

A22. This concludes my testimony.

Affiant, James R. Adkins, states that the answers given by him to the foregoing questions are true and correct to the best of his knowledge and belief.


James R. Adkins

Subscribed and sworn to before me by the affiant,
James R. Adkins, this 29th day of December, 2009.


Notary Public, Kentucky State at Large

My Commission expires. 10/2/11

Shelby Energy Cooperative, Inc.
Case No. 2009-00410
Average Bill for Residential Rate Class
Schedule I - Farm and Home

		<u>Present</u>	<u>Proposed</u>		
10	Consumer facility charge	\$7.92	\$9.75		
11	Energy charge	\$0.08384	\$0.09308		
13					
14	<u>kwh Useage</u>	<u>Existing Rate</u>	<u>Proposed Rate</u>	<u>Increase Amount</u>	<u>Percent</u>
16	0	\$7.92	\$9.75	\$1.83	23.1%
17	100	16.30	19.06	2.75	16.9%
18	200	24.69	28.37	3.68	14.9%
19	300	33.07	37.67	4.60	13.9%
20	400	41.46	46.98	5.53	13.3%
21	500	49.84	56.29	6.45	12.9%
22	600	58.22	65.60	7.37	12.7%
23	700	66.61	74.91	8.30	12.5%
24	800	74.99	84.21	9.22	12.3%
25	900	83.37	93.52	10.15	12.2%
26	1,000	91.76	102.83	11.07	12.1%
27	1,100	100.14	112.14	12.00	12.0%
28	1,200	108.53	121.45	12.92	11.9%
29	1,300	116.91	130.75	13.84	11.8%
30	1,400	125.29	140.06	14.77	11.8%
31	1,500	133.68	149.37	15.69	11.7%
32	1,600	142.06	158.68	16.62	11.7%
33	1,700	150.45	167.99	17.54	11.7%
34	1,800	158.83	177.29	18.46	11.6%
35	1,900	167.21	186.60	19.39	11.6%
36	2,000	175.60	195.91	20.31	11.6%
37	2,100	183.98	205.22	21.24	11.5%
38	2,200	192.37	214.53	22.16	11.5%
39	2,300	200.75	223.83	23.09	11.5%
40	2,400	209.13	233.14	24.01	11.5%
41	2,500	217.52	242.45	24.93	11.5%
42	2,600	225.90	251.76	25.86	11.4%
43	The average monthly useage				
44	1,522	135.53	151.43	15.90	11.7%

Shelby Energy Cooperative, Inc.
Case No. 2009-00410
Revenue Analysis
July 31, 2009

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<u>Rate Schedule</u>	<u>Kwh Useage</u>	<u>Test Year Revenue</u>	<u>Percent of Total</u>	<u>Normalized Case No. 2008-0536</u>	<u>Percent of Total</u>	<u>Proposed Revenue</u>	<u>Percent of Total</u>	<u>Increase Amount</u>	<u>Percent</u>
Rate 1, General Service	104,466,460	\$8,754,199	29%	\$10,312,536	28%	\$10,807,653	28%	\$495,116	4.8%
Rate 2, Large Power Service	37,492,120	2,682,522	9%	3,162,537	9%	3,162,758	8%	221	0.0%
Rate 3, Outdoor and Street Lighting	2,305,054	376,795	1%	420,846	1%	498,508	1%	77,662	18.5%
Off Peak Marketing Rate (ETS)	477,208	21,006	0%	25,349	0%	31,109	0%	5,760	22.7%
Rate 10, Optional Residential, Chun	139,076,969	10,054,585	33%	12,055,527	33%	13,745,983	35%	1,690,456	14.0%
Schedule B1, Large Industrial Rate	118,062,866	6,745,999	22%	8,232,136	22%	8,232,136	21%	0	0.0%
Schedule B2, Large Industrial Rate	36,694,268	1,911,700	6%	2,381,732	7%	2,381,732	6%	0	0.0%
Envirowatts	123,800	3,497	0%	3,497	0%	3,497	0%	0	0.0%
Rounding differences						(1,018)		(1,018)	
Total from base rates	<u>438,698,745</u>	30,550,303	100%	<u>\$36,594,161</u>	100%	<u>\$38,862,358</u>	100%	<u>\$2,268,197</u>	6.2%
Fuel adjustment billed		3,875,174							
Environmental surcharge billed		<u>2,112,848</u>							
		<u>\$36,538,325</u>							
Increase				<u>\$6,043,858</u>		<u>\$2,268,197</u>			
				19.78%		6.20%			

Shelby Energy Cooperative, Inc.
Case No. 2009-00410
Billing Analysis
July 31, 2009

Exhibit J
page 2 of 12
Witness: Jim Adkins

General Service - Rate 1 (Old Rate)

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2008-00536		Proposed	
			Rates	Revenues	Rates	Revenues
Consumer Facility Charge						
Residential	67,126	\$505,059	\$7.92	\$531,638	\$9.75	\$654,479
Non Residential	34,300	\$258,074	\$7.92	\$271,656	\$12.52	\$429,436
Energy charge per kWh						
First 600 kwh per month	60,094,905	4,649,221	\$0.09193	5,524,525		
Next 1,400 kwh per month	38,662,383	2,918,443	\$0.08999	3,479,228		
All over 2,000 kwh per month	5,709,172	423,402	\$0.08854	505,490		
	<u>104,466,460</u>				\$0.09308	9,723,738
Residential	85,962,968					
Non Residential	18,503,492					
Total from base rates		8,754,199		<u>\$10,312,536</u>		<u>\$10,807,653</u>
Fuel adjustment		962,416				
Environmental surcharge		<u>602,457</u>				
Total revenues		<u>\$10,319,072</u>				
Amount				\$1,558,337		\$495,116
Percent				17.8%		4.8%
Average monthly bill		\$130.41		\$153.63		\$161.01
Amount				\$23.22		\$7.38
Percent				17.8%		4.8%

Shelby Energy Cooperative, Inc.
Case No. 2009-00410
Billing Analysis
July 31, 2009

Exhibit J
page 3 of 12
Witness: Jim Adkins

Residential Service - Rate 12 (New Rate)

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2008-00536		Proposed	
			Rates	Revenues	Rates	Revenues
Consumer Facility Charge	146,715	\$1,451,019	\$7.92	\$1,161,983	\$9.75	\$1,430,471
Energy charge per kWh	223,315,783	15,548,201	var	18,722,503	\$0.09308	20,786,233
Total from base rates		<u>\$16,999,220</u>		<u>\$19,884,486</u>		<u>\$22,216,704</u>
Amount				\$2,885,266		\$2,332,219
Percent				17.0%		11.7%
Average monthly bill		\$115.87		\$135.53		\$151.43
Amount				\$19.67		\$15.90
Percent				17.0%		11.7%

Shelby Energy Cooperative, Inc.
Case No. 2009-00410
Billing Analysis
July 31, 2009

Exhibit J
page 4 of 12
Witness: Jim Adkins

General Service - Rate 11 (New Rate)

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2008-00536		Proposed	
			Rates	Revenues	Rates	Revenues
Consumer Facility Charge						
Single phase	34,300	\$258,074	\$7.92	\$271,656	\$12.52	\$429,436
Single phase	1,630	19,373	\$12.52	20,408	\$12.52	20,408
Three phase	132	4,079	\$32.56	4,298	\$32.56	4,298
Energy charge per kWh	20,227,646	1,528,038	var	1,821,107	\$0.09308	1,882,789
Total from base rates		<u>\$1,809,564</u>		<u>\$2,117,469</u>		<u>\$2,336,931</u>
Amount				\$307,905		\$219,462
Percent				17.0%		10.4%
Average monthly bill		\$52.76		\$61.73		\$68.13
Amount				\$8.98		\$6.40
Percent				17.0%		10.4%

Shelby Energy Cooperative, Inc.
Case No. 2009-00410
Billing Analysis
July 31, 2009

Exhibit J
page 5 of 12
Witness: Jim Adkins

Large Power Service - Rate 2

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2008-00536		Proposed	
			Rates	Revenues	Rates	Revenues
Consumer Facility Charge	740				\$50.15	\$37,111
Demand charge	114,555	529,245	\$4.97	569,338	\$4.97	569,338
Energy charge per kWh						
First 100 kwh per kw demand	10,092,971	654,868	\$0.07676	774,736		
Next 100 kwh per kw demand	8,734,781	514,143	\$0.07061	616,763		
All over 200 kwh per kw demand	18,664,368	986,045	\$0.06448	1,203,478	\$0.06823	2,558,087
	37,492,120					
Discount 5% Rate 32		<u>(1,779)</u>		<u>(1,779)</u>		<u>(1,779)</u>
Total from base rates		2,682,522		<u>\$3,162,537</u>		<u>\$3,162,758</u>
Fuel adjustment		323,274				
Environmental surcharge		<u>185,667</u>				
Total revenues		<u>\$3,191,464</u>				
Amount				\$480,015		\$221
Percent				17.9%		0.0%
Average monthly bill		\$3,625.03		\$4,273.70		\$4,274.00
Amount				\$648.67		\$0.30
Percent				17.9%		0.0%

Off-Peak Retail Marketing Rate (ETS)

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2008-00536		Proposed	
			Rates	Revenues	Rates	Revenues
Consumer Facility Charge						
Energy charge per kWh	477,208	<u>21,006</u>	\$0.05312	25,349	\$0.06519	<u>31,109</u>
Total from base rates		21,006		<u>\$25,349</u>		<u>\$31,109</u>
Fuel adjustment		5,099				
Environmental surcharge		<u>1,573</u>				
Total revenues		<u>\$27,677</u>				
Amount				\$4,343		\$5,760
Percent				20.7%		22.7%

Shelby Energy Cooperative, Inc.
Case No. 2009-00410
Billing Analysis
July 31, 2009

Exhibit J
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Witness: Jim Adkins

Optional Residential, Church & School Service - Rate 10 (Old Rate)

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2008-00536		Proposed	
			Rates	Revenues	Rates	Revenues
Consumer Facility Charge						
1. Single Phase Service Residential	79,589	\$945,960	\$12.52	\$996,454	\$9.75	\$775,993
1. Single Phase Svc Non Residential	1,630	\$19,373	\$12.52	\$20,408	\$12.52	\$20,408
2. Three Phase Service	132	4,079	\$32.56	4,298	\$32.56	4,298
Energy charge	139,076,969	9,085,173	\$0.07934	11,034,367	\$0.09308	12,945,284
Residential	137,352,815					
Non Residential	1,724,154					
Total from base rates		10,054,585		<u>\$12,055,527</u>		<u>\$13,745,983</u>
Fuel adjustment		1,282,149				
Environmental surcharge		700,267				
Total revenues		<u>\$12,037,000</u>				
Amount				\$2,000,942		\$1,690,456
Percent				19.9%		14.0%
Average monthly bill		\$126.12		\$151.22		\$172.43
Amount				\$25.10		\$21.20
Percent				19.9%		14.0%

Shelby Energy Cooperative, Inc.
Case No. 2009-00410
Billing Analysis
July 31, 2009

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Witness: Jim Adkins

Large Industrial Rate - Schedule B1

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2008-00536		Proposed	
			Rates	Revenues	Rates	Revenues
Consumer Facility Charge	144	81,693	\$590.43	\$85,022	\$590.43	\$85,022
Demand Charge						
Contract Demand	249,001	1,428,199	\$5.94	1,479,066	\$5.94	1,479,066
Excess of contract Demand	820	6,830	\$8.63	7,077	\$8.63	7,077
Energy charge	118,062,866	5,263,651	\$0.05671	6,695,345	\$0.05671	6,695,345
Discount 5% Rate 38		<u>(34,374)</u>		<u>(34,374)</u>		<u>(34,374)</u>
Total from base rates		6,745,999		<u>\$8,232,136</u>		<u>\$8,232,136</u>
Fuel adjustment		997,698				
Environmental surcharge		<u>482,224</u>				
Total revenues		<u>\$8,225,921</u>				
Amount				\$1,486,137		\$0
Percent				22.0%		0.0%
Average monthly bill		\$46,847.22		\$57,167.61		\$57,167.61
Amount				\$10,320.39		\$0.00
Percent				22.0%		0.0%

Shelby Energy Cooperative, Inc.
Case No. 2009-00410
Billing Analysis
July 31, 2009

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Witness: Jim Adkins

Large Industrial Rate - Schedule B2

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2008-00536		Proposed	
			Rates	Revenues	Rates	Revenues
Consumer Facility Charge	12	\$13,626	\$1,179.75	\$14,157	\$1,179.75	\$14,157
Demand Charge						
Contract Demand	81,900	464,469	\$5.94	486,486	\$5.94	486,486
Excess of contract Demand	314	2,521	\$8.63	2,710	\$8.63	2,710
Energy charge	36,694,268	<u>1,431,084</u>	\$0.05119	<u>1,878,380</u>	\$0.05119	<u>1,878,380</u>
Total from base rates		1,911,700		<u><u>\$2,381,732</u></u>		<u><u>\$2,381,732</u></u>
Fuel adjustment		303,396				
Environmental surcharge		<u>138,813</u>				
Total revenues		<u><u>\$2,353,909</u></u>				
Amount				\$470,032		\$0
Percent				24.6%		0.0%
Average monthly bill		\$159,308.37		\$198,477.70		\$198,477.70
Amount				\$39,169.33		\$0.00
Percent				24.6%		0.0%

Shelby Energy Cooperative, Inc.
Case No. 2009-00410
Billing Analysis
July 31, 2009

Exhibit J
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Witness: Jim Adkins

Outdoor and Street Lighting Service - Rate 3

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2008-00536		Proposed	
			Rates	Revenues	Rates	Revenues
			100 Watt HPS Security Light	42,885	\$303,561	\$7.86
100 Watt Decorative Colonial Light	912	8,760	\$10.50	9,576	\$12.44	11,345
400 Watt Directional Flood Light	1,622	22,820	\$16.43	26,649	\$19.46	31,564
250 Watt Directional Flood Light	3,878	39,786	\$11.73	45,489	\$13.90	53,904
150 Watt Decorative Acorn	163	1,868	\$12.61	2,055	\$14.94	2,435
kWh	<u>2,305,054</u>			<u>0</u>		<u>0</u>
Total from base rates		<u>376,795</u>		<u>\$420,846</u>		<u>\$498,508</u>
Fuel adjustment		1,142				
Environmental surcharge		<u>1,848</u>				
Total revenues		<u>\$379,785</u>				
Amount				\$44,051		\$77,662
Percent				11.7%		18.5%

Shelby Energy Cooperative, Inc.
Case No. 2009-00410
Billing Analysis
July 31, 2009

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itness:Jim Adkins

Envirowatts

<u>Description</u>	Billing Determinants	Test Year Revenues	Normalized Case No. 2008-00536		Proposed	
			Rates	Revenues	Rates	Revenues
Envirowatts						
kWh	<u>123,800</u>	3,497	\$0.02825	3,497	\$0.02825	3,497
Billing Correction adjustments		_____		_____		_____
Total from base rates		3,497		<u>\$3,497</u>		<u>\$3,497</u>
Fuel adjustment						
Environmental surcharge		_____				
Total revenues		<u>\$3,497</u>				
Amount				\$0		\$0
Percent				0.0%		0.0%

Shelby Energy Cooperative, Inc.
Case No. 2009-00410
Billing Analysis
July 31, 2009
Summary

Billing Determinants	Test Year Revenues	Normalized Case No. 2008-00536		Proposed	
		Rates	Revenues	Rates	Revenues
Total from base rates	438,698,745	30,550,303	36,594,161		38,863,376
Fuel adjustment		3,875,174			
Environmental surcharge		2,112,848			
Total revenues		36,538,325			
Per Form 7	438,574,945	36,538,324			
Increase	(123,800)	(0)			
Amount			6,043,858		2,269,215
Percent			19.8%		6.2%

Shelby Energy Cooperative
Case No. 2009-00410
Computation of Rate of Return
July 31, 2009

	Actual <u>Test Year</u>	Adjusted <u>Test Year</u>
Net margins	\$560,006	\$1,688,052
G&T patronage capital	350,180	0
Interest on long-term debt	<u>1,652,811</u>	<u>1,688,052</u>
Total	<u>2,562,997</u>	<u>3,376,104</u>
Net rate base	<u>52,760,783</u>	<u>52,717,992</u>
Rate of return	<u>4.86%</u>	<u>6.40%</u>
Equity Capitalization	<u>52,701,480</u>	<u>54,039,352</u>
Rate of return	<u>4.86%</u>	<u>6.25%</u>

Shelby Energy Cooperative
Case No. 2009-00410
Determination of Rate Base
July 31, 2009

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	<u>Actual</u> <u>Test Year</u>	<u>Adjusted</u> <u>Test Year</u>
Gross rate base:		
Total electric plant	\$63,977,054	\$63,977,054
Material and supplies (13 months average for test year)	310,666	310,666
Prepayments (13 months average for test year)	111,589	111,589
Working capital: 12.5% of operating expense less cost of power	<u>594,492</u>	<u>594,492</u>
	64,993,801	64,993,801
Deductions from rate base:		
Accumulated depreciation	11,336,003	11,378,794
Consumer advances	<u>897,015</u>	<u>897,015</u>
Net rate base	<u><u>\$52,760,783</u></u>	<u><u>\$52,717,992</u></u>

	<u>Material</u>	<u>Prepayments</u>
July 2008	334,660	88,513
August	333,614	58,972
September	347,530	47,183
October	317,500	111,755
November	303,921	112,135
December	289,486	94,075
January 2009	302,974	187,115
February	355,526	173,385
March	304,829	147,861
April	310,844	132,059
May	262,239	120,287
June	280,203	103,221
July	295,332	74,098
Average	310,666	111,589

Shelby Energy Cooperative
Case No. 2009-00410
Computation of Rate of Return
July 31, 2009

Test Year 2009	Calendar Year					
	1st 2008	2nd 2007	3rd 2006	4th 2005	5th 2004	
Net margins	\$560,006	\$90,239	\$1,090,642	\$982,838	\$1,223,167	\$341,162
Interest on long-term debt	1,652,811	1,669,016	1,690,546	1,745,199	1,350,168	1,267,282
Total	2,212,817	1,759,255	2,781,188	2,728,037	2,573,335	1,608,444
Net rate base	52,760,783	52,119,323	51,064,182	48,992,331	46,678,367	44,288,833
Rate of return	<u>4.19%</u>	<u>3.38%</u>	<u>5.45%</u>	<u>5.57%</u>	<u>5.51%</u>	<u>3.63%</u>

Test Year 2009	Calendar Year					
	1st 2008	2nd 2007	3rd 2006	4th 2005	5th 2004	
Return excluding G & T patronage dividends:						
Net margins	\$560,006	\$90,239	\$1,090,642	\$982,838	\$1,223,167	\$341,162
G & T patronage dividends	350,180	350,180	-	-	-	-
Interest on long-term debt	1,652,811	1,669,016	1,690,546	1,745,199	1,350,168	1,267,282
Total	1,862,637	1,409,075	2,781,188	2,728,037	2,573,335	1,608,444
Net rate base	52,760,783	52,119,323	51,064,182	48,992,331	46,678,367	44,288,833
Rate of return, excluding G & T	<u>3.53%</u>	<u>2.70%</u>	<u>5.45%</u>	<u>5.57%</u>	<u>5.51%</u>	<u>3.63%</u>

Shelby Energy Cooperative
Case No. 2009-00410
Determination of Rate Base
July 31, 2009

	Calendar Year					
	Test Year 2009	1st 2008	2nd 2007	3rd 2006	4th 2005	5th 2004
Gross rate base:						
Total electric plant	\$63,977,054	\$62,537,689	\$60,203,558	\$57,282,703	\$54,455,870	\$51,513,651
Material and supplies (13 mo. ave test year)	310,666	289,486	407,186	470,429	304,151	264,487
Prepayments (13 mo. ave test year)	111,589	94,075	99,731	97,063	94,399	84,980
Working capital:						
12.5% of operating expense	594,492	560,601	485,984	528,720	509,072	523,473
less cost of power	64,993,801	63,481,851	61,196,459	58,378,915	55,363,492	52,386,591
Deductions from rate base:						
Accumulated depreciation	11,336,003	10,458,392	9,210,103	8,455,775	7,849,370	7,273,041
Consumer advances	897,015	904,136	922,174	930,809	835,755	824,717
Net rate base	\$52,760,783	\$52,119,323	\$51,064,182	\$48,992,331	\$46,678,367	\$44,288,833

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Shelby Energy Cooperative
Case No. 2009-00410
TIER and DSC Calculations
July 31, 2009

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	<u>Actual</u> <u>Test Year</u>	<u>Adjusted</u> <u>Test Year</u>
TIER:		
Margins, excluding G&T capital credits	\$209,826	\$1,688,052
Interest on long term debt	1,652,811	1,688,052
TIER	1.13	2.00

DSC:		
Margins, excluding G&T capital credits	\$209,826	\$1,688,052
Depreciation expense	1,829,713	1,872,504
Interest on long term debt	1,652,811	1,688,052
Principal payment on long term debt	1,078,885	1,078,885
DSC	1.35	1.90

DSC = (Margins + depreciation + interest
/ interest + principal payments)

Shelby Energy Cooperative
Case No. 2009-00410
TIER and DSC Calculations
July 31, 2009

Test Year 2009	Calendar Year					
	1st 2008	2nd 2007	3rd 2006	4th 2005	5th 2004	
TIER calculations:						
Margins, excluding G&T capital credits	\$209,826	(\$259,941)	\$1,090,642	\$982,838	\$1,223,167	\$341,162
Interest on long term debt	1,652,811	1,669,016	1,690,546	1,745,199	1,350,168	1,267,282
Modified TIER	1.13	0.84	1.65	1.56	1.91	1.27
Margins, including G&T capital credits	\$560,006	\$90,239	\$1,090,642	\$982,838	\$1,223,167	\$341,162
Interest on long term debt	1,652,811	1,669,016	1,690,546	1,745,199	1,350,168	1,267,282
TIER	1.34	1.05	1.65	1.56	1.91	1.27
DSC calculations:						
DSC = ((Margins + depreciation + interest) / (interest + principal payments))						
Margins, excluding G&T capital credits	\$209,826	(\$259,941)	\$1,090,642	\$982,838	\$1,223,167	\$341,162
Depreciation expense	1,829,713	1,793,305	1,717,103	1,637,383	1,548,032	1,462,252
Interest on long term debt	1,652,811	1,669,016	1,690,546	1,745,199	1,350,168	1,267,282
Principal payment on long term debt	1,078,885	1,051,684	971,536	998,104	863,205	831,345
Modified DSC	<u>1.35</u>	<u>1.18</u>	<u>1.69</u>	<u>1.59</u>	<u>1.86</u>	<u>1.46</u>
Margins, including G&T capital credits	\$560,006	\$90,239	\$1,090,642	\$982,838	\$1,223,167	\$341,162
Depreciation expense	1,829,713	1,793,305	1,717,103	1,637,383	1,548,032	1,462,252
Interest on long term debt	1,652,811	1,669,016	1,690,546	1,745,199	1,350,168	1,267,282
Principal payment on long term debt	1,078,885	1,051,684	971,536	998,104	863,205	831,345
DSC	<u>1.48</u>	<u>1.31</u>	<u>1.69</u>	<u>1.59</u>	<u>1.86</u>	<u>1.46</u>

Shelby Energy Cooperative
Case No. 2009-00410
Equity Capitalization
July 31, 2009

	Proposed	Test Year 2009	Calendar Year				
			2008	2007	2006	2005	2004
Equity Capitalization: without G&T patronage capital							
Total margins and equities	27,144,209	25,456,157	25,133,422	25,322,775	24,927,601	24,294,872	23,622,271
Less G&T Patronage capital	7,611,825	7,261,645	6,911,465	6,911,465	6,911,465	6,911,465	6,911,465
Long-term debt	19,532,384	18,194,512	18,221,957	18,411,310	18,016,136	17,383,407	16,710,806
	34,506,968	34,506,968	35,080,075	34,142,444	34,357,635	28,984,147	26,905,713
Total	54,039,352	52,701,480	53,302,032	52,553,754	52,373,771	46,367,554	43,616,519
Equity capitalization ratio	<u>36%</u>	<u>35%</u>	<u>34%</u>	<u>35%</u>	<u>34%</u>	<u>37%</u>	<u>38%</u>
Equity Capitalization: with G&T patronage capital							
Total margins and equities	27,144,209	25,456,157	25,133,422	25,322,775	24,927,601	24,294,872	23,622,271
Long-term debt	34,506,968	34,506,968	35,080,075	34,142,444	34,357,635	28,984,147	26,905,713
Total	61,651,177	59,963,125	60,213,497	59,465,219	59,285,236	53,279,019	50,527,984
Equity capitalization ratio	<u>44%</u>	<u>42%</u>	<u>42%</u>	<u>43%</u>	<u>42%</u>	<u>46%</u>	<u>47%</u>
Equity to Total Assets: with G&T patronage capital							
Total margins and debt	61,651,177	59,963,125	60,213,497	59,465,219	59,285,236	53,279,019	50,527,984
Total assets	69,846,678	68,158,626	67,427,630	65,373,508	64,682,893	60,255,465	55,432,746
Total	131,497,855	128,121,751	127,641,127	124,838,727	123,968,129	113,534,484	105,960,730
Equity to total asset ratio	<u>47%</u>	<u>47%</u>	<u>47%</u>	<u>48%</u>	<u>48%</u>	<u>47%</u>	<u>48%</u>

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Shelby Energy Cooperative
Case No. 2009-00410
Reconciliation of Rate Base and Capital
July 31, 2009

Reconciliation of Rate Base and Capital used to determine revenue requirements are as follows:

Equity Capitalization, with	
G&T capital credits	59,963,125
G&T capital credits	<u>(7,611,825)</u>
	52,351,300
Reconciling items:	
Capital credits from associated organizations	
(Allocated but unpaid)	(1,418,630)
Working capital requirements	594,492
Material and supplies, 13 month average	310,666
Prepayments, 13 month average	111,589
Cash and temporary investments	(2,320,828)
Accounts receivable	(3,679,731)
Material and supplies	(295,332)
Prepayments	(83,534)
Deferred debits	(107,695)
Accumulated operating provisions	1,895,285
Accounts payable	4,456,074
Consumer deposits	386,110
Accrued expenses	561,017
	<hr/>
Net Rate Base	<u><u>52,760,783</u></u>

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCOUNT	INACTIVE	BANK TRANSIT BANK ACCOUNT	BANK NAME
		B/S LINE	INC LINE	B/S LINE	INC LINE				
107.00	CONST.FUNDS - CLOSED WORK ORDERS	2.00		2.00		107.00	Y		
107.20	CONSTRUCTION WORK IN PROGRESS	2.00		2.00		107.20			
107.28	CONSTRUCTION OVERHEAD INDIRECT	2.00		2.00		107.28			
107.29	CONSTRUCTION MISC. OVERHEAD	2.00		2.00		107.29	Y		
107.30	SPECIAL EQUIP. WORK IN PROGRESS	2.00		2.00		107.30			
107.50	CONST. IN PROGRESS	2.00		2.00		107.50	Y		
108.50	ACC PROVISION DEPR-TRANSMISSION	4.00		4.00		108.50			
108.60	ACC PROVISION FOR DEPR-DIST PLANT	4.00		4.00		108.60			
108.70	ACC PROVISION FOR DEPR-GEN.PLANT	4.00		4.00		108.70			
108.80	RETIREMENT WORK IN PROGRESS	4.00		4.00		108.80			
108.88	RETIREMENT OVERHEAD INDIRECT	4.00		4.00		108.88			
108.89	RETIREMENT MISC. OVERHEAD	4.00		4.00		108.89	Y		
111.00	ACC PROVISION FOR AMORT ELEC.PLT	4.00		4.00		111.00	Y		
123.10	INVEST IN ASSOC ORG PATR CAP EKP	8.00		8.00		123.10			
123.20	INVEST IN ASSOC ORG PTR CAP KAEC	8.00		8.00		123.20			
123.21	SUBSCRIPTIONS CAP.TERM CERT.CFC	34.00		34.00		123.21	Y		
123.22	INVESTMENTS CAPITAL TRM CERT.CFC	10.00		10.00		123.22			
123.23	OTHER INVEST.IN ASSOC.ORGANIZATN	10.00		10.00		123.23			
123.24	OTHER INVEST ENVISION ENERGY SER	10.00		10.00		123.24			
123.25	EQUITY INVESTMENT - C.R.C.	10.00		10.00		123.25			
123.30	INVEST ASSOC ORG PAT CAP U.U.S.	8.00		8.00		123.30			
123.40	INVEST ASSOC ORG PAT CAP C.F.C.	8.00		8.00		123.40			
123.41	COOPERATIVE INTEGRITY FUND	9.00		9.00		123.41	Y		
123.42	INVEST ASSOC ORG PAT CAP C.R.C.	8.00		8.00		123.42			
123.50	INVEST ASSOC ORG PAT CAP CON. CR	8.00		8.00		123.50	Y		
123.60	INVEST ASSOC ORG PAT CAP NISC	8.00		8.00		123.60			

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCOUNT	INACTIVE	BANK TRANSIT BANK ACCOUNT	BANK NAME
		B/S LINE	INC LINE	B/S LINE	INC LINE				
123.65	INVEST ASSOC ORG PAT CAP SEDC	8.00		8.00		123.65			
123.70	INVEST ASSOC PAT CAP FEDERATED	8.00		8.00		123.70	Y		
123.80	INVEST ASSOC PAT CAP TARHEEL EMA	8.00		8.00		123.80			
123.90	INVEST RUS RURAL ECONOMIC DEVMNT	11.00		11.00		123.90			
123.91	INVEST SUBSID. S E S EARNINGS	7.00		7.00		123.91			
123.92	INVEST SUBSID. SES CAPITAL STOCK	7.00		7.00		123.92			
124.00	OTHER INVESTMENTS	12.00		12.00		124.00			
124.10	INVESTMENT-CFC MEMBER CAP. SEC.	12.00				124.10			
128.00	OTHER SPECIAL FUNDS	13.00		13.00		128.00	Y		
128.20	INVESTMENT - OTHER SPECIAL FUNDS	13.00		13.00		128.20	Y		
131.00	CASH-PAYROLL-CITIZENS UNION BANK	15.00		15.00		131.00		083901621 000 189 9	CITIZENS UNION BANK
131.10	CASH-GEN.FNDS-CITIZENS UNION BNK	15.00		15.00		131.10		083901621 000 189 9	CITIZENS UNION BANK
131.11	CASH-GEN.FNDS-FARMERS BK AND TRT	15.00		15.00		131.11		083903069 71-086-526	FARMERS BANK AND TRUST
131.13	CASH-ECON.DEV.COOP FUND-C.U.B	15.00		15.00		131.13		083901621 401-683-1	CITIZENS UNION BANK
131.20	CASH-RUS / CFC CONSTRUCTION FUND	17.00		17.00		131.20		083901621 000-286-0	CITIZENS UNION BANK
131.30	CASH-GEN.FND-BEDFORD LN / DEP.BK	15.00		15.00		131.30		083904314 02 236 5	BEDFORD LN AND DEPOSIT BANK
131.40	CASH - TRANSFER OF FUNDS	15.00		15.00		131.40		083901621 000-189-9	CITIZENS UNION BANK
131.60	CASH-CAPITAL CREDIT REFUNDS	15.00		15.00		131.60		083901621 010 206 7	CITIZENS UNION BANK
134.00	OTHER SPECIAL DEPOSITS	17.00		17.00		134.00			
135.00	WORKING FUNDS - PERMANENT	15.00		15.00		135.00			
136.00	TEMPORARY CASH INVESTMENTS	18.00		18.00		136.00	Y		
136.30	TEMP CASH INVEST CFC COM PAPER	18.00		18.00		136.30			
141.00	NOTES REC-SHELBY ENERGY SERVICES	7.00		7.00		141.00	Y		
142.00	ACCOUNTS RECEIVABLE - CONSUMERS	20.00		20.00		142.00			
142.10	ACCT REC-CONSUMERS OFF SERVICE	20.00		20.00		142.10	Y		
142.42	LOAD MANAGEMENT CREDITS	21.00				142.00			

ACCOUNT MASTER LIST
 ALL ACCOUNTS

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCOUNT	INACTIVE	BANK TRANSIT BANK ACCOUNT	BANK NAME
		B/S LINE	INC LINE	B/S LINE	INC LINE				
143.00	ACCOUNTS RECEIVABLE - OTHER	21.00		21.00		143.00			
143.10	ACCOUNTS RECEIVABLE - ACRE CONT.	21.00		21.00		143.10			
143.11	ACCT REC-SHELBY ENERGY SERVICES	21.00		21.00		143.11			
143.12	ACCT REC-SHELBY PROPANE PLUS	21.00		21.00		143.12			
143.13	ACCOUNTS REC - OTHER - MEDICAL	21.00		21.00		143.13			
143.14	ACCT.REC-OTHER-EMPLOYEE PURCHASE	21.00		21.00		143.14			
143.15	CONSUMER BILL ADJUSTMENT	21.00		21.00		143.15			
143.20	ACCT REC-OTHER GROUP INS & 401K	21.00		21.00		143.20			
143.21	ACCOUNTS REC - OTHER - RETIREES	21.00		21.00		143.21			
143.30	ACCT REC - EAST KENTUCKY POWER	21.00		21.00		143.30	Y		
143.31	ACCOUNTS REC - E T S UNITS	21.00		21.00		143.31	Y		
143.40	ACCOUNTS RECEIVABLE-MATERIAL SLD	21.00		21.00		143.40			
143.50	ACCOUNTS RECEIVABLE VOUCHERS	21.00		21.00		143.50			
143.60	ACCOUNTS RECEIVABLE - F.E.M.A.	21.00		21.00		143.60			
143.70	ACCT REC-OTHER-EAST KY POWER	21.00		21.00		143.70	Y		
143.71	ACCOUNTS RECEIVABLE - A.T.& T.	21.00		21.00		143.71			
143.80	A/R ADV EXP-DIRECTORS AND ATTY.	21.00		21.00		143.80			
143.81	DIRECTOR AND ATTY-GUEST REIMBRMT	21.00		21.00		143.81			
143.90	CLEARING ACCOUNTS - VOID CHECKS	21.00		21.00		143.90	Y		
144.10	ACCUM PROV UNCOLLECT RES/SM COM	20.00		20.00		144.10			
144.11	ACCUM PROV FOR UNCOLL LG POWER	20.00		20.00		144.11			
144.20	ACCUM PROV FOR UNCOLL CONS.ACCTS	20.00		20.00		144.20	Y		
154.00	MATERIAL AND SUPPLIES - ELECTRIC	22.00		22.00		154.00			
154.40	MATERIAL SOLD CLEARING ACCOUNT	22.00		22.00		154.40			
154.90	TRANSPORTATION INVENTORY	22.00		22.00		154.90			
155.10	MERCHANDISE RESALE MARKETING PGM	22.00		22.00		155.10			

ACCOUNT MASTER LIST.
 ALL ACCOUNTS

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCOUNT	INACTIVE	BANK TRANSIT BANK ACCOUNT	BANK NAME
		B/S LINE	INC LINE	B/S LINE	INC LINE				
155.20	MERCHANDISE RESALE TOY BUCKET TR	22.00		22.00		155.20	Y		
155.30	MERCHANDISE RESALE MISCELLANEOUS	22.00		22.00		155.30	Y		
163.00	STORES EXPENSE CLEARING ACCOUNT	22.00		22.00		163.00			
165.10	PREPAID INSURANCE	23.00		23.00		165.10			
165.20	OTHER PREPAYMENTS	23.00		23.00		165.20			
165.30	PREPAID SALES AND USE TAX	23.00		23.00		165.30			
165.40	PREPAID INS - LIFE,DIS AND 24 HR	23.00		23.00		165.40	Y		
165.50	PREPAID M I N T PROGRAM	23.00		23.00		165.50	Y		
165.80	PREPAID TRU CHECK MTR RDG SERVIC	23.00		23.00		165.80	Y		
165.90	PREPAID EKP MEDICAL INSURANCE	23.00		23.00		165.90	Y		
171.00	INTEREST AND DIVIDEND RECEIVABLE	24.00		24.00		171.00			
181.00	UNAMORTIZED DEBT EXPENSE	27.00		27.00		181.00	Y		
183.00	PRELIM SRVY AND INVESTIGATN CHGS	27.00		27.00		183.00	Y		
183.60	PRE-LOAN EXPENSE	27.00		27.00		183.60	Y		
184.10	TRANSPORTATION CLEARING ACCOUNT	27.00		27.00		184.10			
184.30	HEAVY WORK EQUIP CLEARING ACCT	27.00		27.00		184.30			
186.00	MISCELLANEOUS DEFERRED DEBITS	27.00		27.00		186.00	Y		
186.10	SYSTEM MAPPING PROJECT	27.00		27.00		186.10	Y		
186.11	DEFERRED DEBIT-XL RUN TM LIC3100	27.00		27.00		186.11	Y		
186.13	DEFERRED DEBIT INVENTORY ADJMT	27.00		27.00		186.13	Y		
186.20	DEFERRED DEBIT LN RNG PLN ENGR	27.00		27.00		186.20	Y		
186.30	MANAGEMENT AUDIT PROJECT	27.00		27.00		186.30			
201.10	PATRONAGE CAPITAL CREDITS	30.00		30.00		201.10			
201.20	PATRONAGE CAP CREDITS ASSIGNED	30.00		30.00		201.20			
208.00	DONATED CAPITAL	34.00		34.00		208.00			
208.10	GAINS - ESTATE REFUNDS	34.00		34.00		208.10			

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCOUNT	INACTIVE	BANK TRANSIT BANK ACCOUNT	BANK NAME
		B/S LINE	INC LINE	B/S LINE	INC LINE				
208.20	GAINS - SEDC	34.00		34.00		208.20			
215.31	Other Comprehensive Income	34.00				215.31			
217.00	REACQUIRED CAPITAL STOCK	34.00		34.00		217.00			
219.10	OPERATING MARGINS	31.00		31.00		219.10			
219.11	OPERATING DEFICIT	31.00		31.00		219.11			
219.20	NON-OPERATING MARGINS	33.00		33.00		219.20			
219.21	NON-OPERATING DEFICIT	33.00		33.00		219.21			
219.40	OTHER MARGINS AND EQUITIES PRIOR	30.00		30.00		219.40			
224.12	OTHER LT DEBTS - CFC CONST LOAN	39.00		40.00		224.12			
224.13	CFC - NOTES EXECUTED - DEBIT	39.00		40.00		224.13			
224.30	LT DEBT - RUS OBLIGATION	36.00		36.00		224.30			
224.31	LT DEBT - RUS ECOMONIC DEVELOPMT	40.00		37.00		224.31			
224.32	LONG TERM DEBT FFB OBLIGATION	37.00		38.00		224.32			
224.40	RUS NOTES EXECUTED-CONST-DEBT	36.00		36.00		224.40			
224.41	FFB NOTES EXECUTED	37.00		38.00		224.41			
224.50	OTHER LONG TERM DEBT - NRECA	39.00		40.00		224.50			
224.60	ADVANCE PAYMENTS - UNAPPLIED RUS	36.00		36.00		224.60			
224.70	OTHER LT DEBT - CFC CONST LOAN	39.00		40.00		224.70			
226.00	INTEREST ACCRUED-DEFERRED-REA	36.00		36.00		226.00			
227.00	ADVANCED PYMTS APPLIED LT DEBT	36.00		36.00		227.00			
228.30	ACCUM PROV PENSION / BEN SEC 125	44.00		43.00		228.30			
228.31	ACC PROV PENSION / BEN-FASB 106	44.00		43.00		228.31			
228.32	ACCUM PROV BENEFIT C/A AND AEGON	44.00		43.00		228.32			
228.33	ACC PROV BENEFITS DEFERRED COMP.	44.00		43.00		228.33			
228.34	ACCUM PROV BENEFITS - DENTALCARE	44.00		43.00		228.34			
228.35	ACCUM. PROV. BENEFITS - GROUP ME	44.00		43.00		228.35			

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCOUNT	INACTIVE	BANK BANK	TRANSIT ACCOUNT	BANK NAME
		B/S LINE	INC LINE	B/S LINE	INC LINE					
231.00	NOTES PAYABLE-CFC LINE OF CREDIT	46.00		45.00		231.00				
231.10	NOTES PAYABLE CFC SHELBY EN SERV	46.00		45.00		231.10				
232.10	ACCOUNTS PAYABLE	47.00		46.00		232.10				
232.11	WINTERCARE ENERGY FUND	47.00		46.00		232.11				
232.12	ACCOUNTS PAYABLE - POWER BILL	47.00		46.00		232.12				
232.14	ACCOUNTS PAYABLE DAVIS H.ELLIOT	47.00		46.00		232.14				
232.15	ACCOUNTS PAYABLE DOBSON POWER LN	47.00		46.00		232.15				
232.16	ACCOUNTS PAYABLE M&M ELECTRICIAL	47.00		46.00		232.16				
232.20	OVERPAYMENT OF BILLS	47.00		46.00		232.20	Y			
232.30	ACCOUNTS PAYABLE BEDFORD LN & DP	47.00		46.00		232.30	Y			
232.70	ACCOUNTS PAYABLE ALVA ROBINSON	47.00		46.00		232.70	Y			
232.80	A/P CUB ECONOMIC DEVELOPMENT FND	47.00		46.00		232.80	Y			
232.90	A/P Health Reimbursement Account	47.00		46.00		232.90				
233.00	NOTES PAYABLE EAST KENTUCKY PWR	46.00		45.00		233.00	Y			
235.00	CONSUMER DEPOSITS	48.00		47.00		235.00				
236.10	ACCRUED PROPERTY TAXES	52.00		51.00		236.10				
236.20	ACCRUED FEDERAL UNEMPLOYMENT	52.00		51.00		236.20				
236.30	ACCRUED FICA TAX	52.00		51.00		236.30				
236.40	ACCRUED STATE UNEMPLOYMENT TAX	52.00		51.00		236.40				
236.50	ACCRUED KENTUCKY SALES TAX	52.00		51.00		236.50				
236.60	DISTRICT TAX TOTAL	52.00		51.00		236.60				
236.61	SHELBY COUNTY SCHOOL TAX	52.00		51.00		236.61				
236.62	HENRY COUNTY SCHOOL TAX	52.00		51.00		236.62				
236.63	TRIMBLE COUNTY SCHOOL TAX	52.00		51.00		236.63				
236.64	CARROLL COUNTY SCHOOL TAX	52.00		51.00		236.64				
236.65	EMINENCE SCHOOL TAX	52.00		51.00		236.65				

ACCOUNT MASTER LIST.
 ALL ACCOUNTS

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCOUNT	INACTIVE	BANK TRANSIT BANK ACCOUNT	BANK NAME
		B/S LINE	INC LINE	B/S LINE	INC LINE				
236.66	SPENCER COUNTY SCHOOL TAX	52.00		51.00		236.66			
236.67	ANDERSON COUNTY SCHOOL TAX	52.00		51.00		236.67			
236.68	FRANKLIN COUNTY SCHOOL TAX	52.00		51.00		236.68			
236.69	FRANCHISE TX - SIMPSONVILLE	52.00		51.00		236.69			
236.71	FRANCHISE TX-S'VILLE-RES AND COM	52.00		51.00		236.71			
236.72	FRANCHISE TX-S'VILLE-LARGE POWER	52.00		51.00		236.72			
236.73	FRANCHISE TAX - CAMPBELLSBURG	52.00		51.00		236.73			
236.80	DISCRETIONARY ANNUAL BONUS	52.00		51.00		236.80			
237.10	INTEREST ACCRUED-RUS OBLIGATION	52.00		51.00		237.10			
237.11	INTEREST ACCRUED FFB OBLIGATION	52.00		51.00		237.11			
237.30	OTHER INTEREST ACCRUED	52.00		51.00		237.30			
237.40	INTEREST ACCRUED CFC OBLIGATION	52.00		51.00		237.40			
237.50	INTEREST ACCRUED CONS. DEPOSITS	52.00		51.00		237.50			
238.10	PATRONAGE CAPITAL - PAYABLE	52.00		51.00		238.10			
241.00	ACC. FEDERAL INCOME TAX EMPLOYEE	52.00		51.00		241.00			
241.10	ACC STATE INCOME TAX EMPLOYEE	52.00		51.00		241.10			
241.20	ACCRUED EMPLOYEE OCCUPATIONAL TX	52.00		51.00		242.20			
242.00	MISC CURRENT / ACCRUED LIABILITS	52.00		51.00		242.00			
242.01	PAYROLL CLEARING ACCOUNT	52.00		51.00		242.01			
242.10	ACCRUED VACATION	52.00		51.00		242.10			
242.20	AWARDED SICK LEAVE	52.00		51.00		242.20			
252.10	CONS ADV PYMT 150' THRU 300'	55.00		54.00		252.10			
252.20	CONS ADV PYMT 301' THRU 1000'	55.00		54.00		252.20			
252.30	CONS ADV PYMT ALL OVER 1000'	55.00		54.00		252.30			
252.40	DEFERRED CREDIT DEPR ADJUSTMENT	55.00		54.00		252.40	Y		
253.00	DEFERRED CREDIT INVENTORY ADJMT	55.00		54.00		253.00	Y		

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCOUNT	INACTIVE	BANK TRANSIT BANK ACCOUNT	BANK NAME
		B/S LINE	INC LINE	B/S LINE	INC LINE				
253.10	OTHER DEFERRED CREDITS	55.00		54.00		253.10	Y		
364.00	POLES, TOWERS AND FIXTURES	1.00		1.00		364.00			
365.00	OVERHEAD CONDUCTORS AND DEVICES	1.00		1.00		365.00			
365.10	O C R'S AT SUBSTATION	1.00		1.00		365.10	Y		
366.00	UNDERGROUND CONDUIT	1.00		1.00		366.00			
367.00	UNDERGROUND CONDUCTORS / DEVICES	1.00		1.00		367.00			
368.00	LINE TRANSFORMERS	1.00		1.00		368.00			
369.00	SERVICES	1.00		1.00		369.00			
370.00	METERS	1.00		1.00		370.00			
370.10	MIN-MAX-AMP METERS @ SUBSTATION	1.00		1.00		370.10	Y		
371.00	INSTALLATION ON CONS PREMISES	1.00		1.00		371.00			
373.00	STREET LIGHTS AND SIGNAL SYSTEM	1.00		1.00		373.00			
389.00	LAND AND LAND RIGHTS (NEW OFFICE)	1.00		1.00		389.00			
389.10	LAND AND LAND RIGHTS	1.00		1.00		389.10			
390.00	STRUCTURES AND IMPROVEMENTS	1.00		1.00		390.00			
390.10	STRUCTURE AND IMPROVEMENTS-LEASE	1.00		1.00		390.10			
391.00	OFFICE FURNITURE AND FIXTURES	1.00		1.00		391.00			
392.00	TRANSPORTATION EQUIPMENT	1.00		1.00		392.00			
393.00	STORES EQUIPMENT	1.00		1.00		393.00			
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	1.00		1.00		394.00			
395.00	LABORATORY EQUIPMENT	1.00		1.00		395.00			
396.00	POWER OPERATED EQUIPMENT	1.00		1.00		396.00			
396.10	UNDERGROUND EQUIPMENT	1.00		1.00		396.10	Y		
397.00	COMMUNICATIONS EQUIPMENT	1.00		1.00		397.00			
398.00	MISCELLANEOUS EQUIPMENT	1.00		1.00		398.00			
403.60	DEPR. EXPENSE-DISTRIBUTION PLANT	32.00	12.00	32.00	12.00	219.10			

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCOUNT	INACTIVE	BANK TRANSIT BANK ACCOUNT	BANK NAME
		B/S LINE	INC LINE	B/S LINE	INC LINE				
403.70	DEPR. EXPENSE - GENERAL PLANT	32.00	12.00	32.00	12.00	219.10			
408.40	TAXES - STATE UNEMPLOYMENT	32.00	14.00	32.00	14.00	219.10	Y		
408.50	TAXES - STATE ASSESSMENT	32.00	14.00	32.00	14.00	219.10			
415.00	REVENUE FROM MERCHANDISING	33.00	24.00	33.00	24.00	219.20			
416.00	COST AND EXP. FROM MERCHANDISING	33.00	24.00	33.00	24.00	219.20			
417.00	MANAGEMENT/CONSULTING SERVICES	33.00	24.00	33.00	24.00	219.20			
418.10	EQUITY EARNINGS-SUBSIDIARY - SES	33.00	23.00	33.00	23.00	219.20			
418.20	EQUITY EARNINGS-SUBSID ENVISION	33.00	23.00	33.00	23.00	219.20			
419.00	INVESTMENT AND DIVIDEND INCOME	33.00	21.00	33.00	21.00	219.20			
421.00	NON-OPERATING MARGIN - OTHER	33.00	24.00	33.00	24.00	219.20	Y		
421.10	GAIN ON DISPOSITION OF PROPERTY	33.00	24.00	33.00	24.00	219.20			
421.20	LOSS ON DISPOSITION OF PROPERTY	33.00	24.00	33.00	24.00	219.20			
423.00	G AND T CAPITAL CREDITS	32.00	25.00	32.00	25.00	219.10			
424.00	OTHER CAPITAL CR / PAT DIVIDENDS	32.00	26.00	32.00	26.00	219.10			
426.10	DONATIONS	32.00	18.00	32.00	18.00	219.10			
426.40	CIVIC,POLITICAL / RELATED ACTVTS	32.00	18.00	32.00	18.00	219.10			
427.10	INTEREST ON REA CONSTRUCTION LN	32.00	15.00	32.00	15.00	219.10			
427.20	INTEREST ON CFC CONSTRUCTION LN	32.00	15.00	32.00	15.00	219.10			
427.30	INTEREST ON FFB CONSTRUCTION LN	32.00	15.00	32.00	15.00	219.10			
430.00	INT ON DEBT TO ASSOC ORGANIZATNS	32.00	17.00	32.00	17.00	219.10			
431.10	INTEREST EXP.-CONSUMER DEPOSITS	32.00	17.00	32.00	17.00	219.10			
431.30	SHORT TERM INTEREST - CFC	32.00	17.00	32.00	17.00	219.10			
440.10	RESIDENTIAL SALES-RESIDENTIAL	32.00	1.00	32.00	1.00	219.10			
440.11	RESIDENTIAL SALES-07 CORRECTION	32.00	1.00			219.10			
442.10	COMMERCIAL / INDUSTRIAL SALES-SM	32.00	1.00	32.00	1.00	219.10			
442.11	COMMERCIAL-IND-SM-07 CORRECTION	32.00	1.00			219.10			

ACCOUNT	DESCRIPTION	---RUS---		---TVA---		MARGIN ACCOUNT	INACTIVE	BANK TRANSIT BANK ACCOUNT	BANK NAME
		B/S LINE	INC LINE	B/S LINE	INC LINE				
442.20	COMMERCIAL / INDUSTRIAL SALES-LG	32.00	1.00	32.00	1.00	219.10			
442.21	COMMERICAL-IND-LG-07 CORRECTION	32.00	1.00			219.10			
444.00	PUBLIC STREET / HIGHWAY LIGHTING	32.00	1.00	32.00	1.00	219.10			
444.10	PUBLIC ST-HWY LIGHT-07 CORRECTIN	32.00	1.00			219.10			
450.00	FORFEITED DISCOUNTS	32.00	1.00	32.00	1.00	219.10			
454.00	RENT FROM ELECTRIC PROPERTY	32.00	1.00	32.00	1.00	219.10			
456.00	OTHER ELECTRIC REVENUE	32.00	1.00	32.00	1.00	219.10			
555.00	PURCHASE POWER	32.00	3.00	32.00	3.00	219.10			
580.00	OPERATION,SUPERVISION AND ENGR.	32.00	5.00	32.00	5.00	219.10			
583.00	OVERHEAD LINE EXPENSE	32.00	5.00	32.00	5.00	219.10			
584.00	UNDERGROUND LINE EXPENSE	32.00	5.00	32.00	5.00	219.10			
585.00	STREET LIGHTING / SIGNAL EXPENSE	32.00	5.00	32.00	5.00	219.10			
586.00	METER EXPENSE	32.00	5.00	32.00	5.00	219.10			
586.10	METER TESTING	32.00	5.00	32.00	5.00	219.10			
586.20	METERS CHANGED FOR TESTING	32.00	5.00	32.00	5.00	219.10			
586.30	METER RECORD KEEPING(D.GRAHAM)	32.00	5.00	32.00	5.00	219.10			
587.00	CONSUMER INSTALLATION EXPENSE	32.00	5.00	32.00	5.00	219.10			
588.00	MISCELLANEOUS DISTRIBUTION EXP.	32.00	5.00	32.00	5.00	219.10			
590.00	MAINTENANCE-SUPERVISION / ENGR.	32.00	6.00	32.00	6.00	219.10			
593.00	MAINTENANCE OF OVERHEAD LINES	32.00	6.00	32.00	6.00	219.10			
593.10	PATROLLING - PLANNED	32.00	6.00	32.00	6.00	219.10			
593.20	O.C.R. MAINTENANCE - PLANNED	32.00	6.00	32.00	6.00	219.10			
593.30	RIGHT OF WAY - PLANNED	32.00	6.00	32.00	6.00	219.10			
593.35	RIGHT OF WAY - SPRAYING	32.00	6.00	32.00	6.00	219.10			
593.40	AIR PATROL	32.00	6.00	32.00	6.00	219.10			
593.50	TREATMENT OF POLES	32.00	6.00	32.00	6.00	219.10			

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCOUNT	INACTIVE	BANK TRANSIT BANK ACCOUNT	BANK NAME
		B/S LINE	INC LINE	B/S LINE	INC LINE				
593.60	FUSE MAINTENANCE - SHELBY LABOR	32.00	6.00	32.00	6.00	219.10			
594.00	MAINTENANCE OF UNDERGROUND LINES	32.00	6.00	32.00	6.00	219.10			
595.00	MAINTENANCE OF LINE TRANSFORMERS	32.00	6.00	32.00	6.00	219.10			
597.00	MAINTENANCE OF METERS	32.00	6.00	32.00	6.00	219.10			
598.00	MAINTENANCE OF MISC. DIST. PLANT	32.00	6.00	32.00	6.00	219.10			
599.99	CLEARING ACCOUNT FOR BALANCING	32.00	10.00	32.00	10.00	599.99			
901.00	SUPERVISION	32.00	7.00	32.00	7.00	219.10			
902.00	METER READING EXPENSE	32.00	7.00	32.00	7.00	219.10			
903.00	CONSUMER RECORDS / COLLECT. EXP.	32.00	7.00	32.00	7.00	219.10			
904.00	UNCOLLECTIBLE ACCOUNTS	32.00	7.00	32.00	7.00	219.10			
907.00	SUPERVISION	32.00	8.00	32.00	8.00	219.10			
908.00	CUSTOMER ASSISTANCE EXPENSE	32.00	8.00	32.00	8.00	219.10			
909.00	INFORMATIONAL / INSTRUCTIONAL EP	32.00	8.00	32.00	8.00	219.10			
910.00	MISCELLANEOUS CUSTOMER SERV.EXP.	32.00	8.00	32.00	8.00	219.10			
912.00	DEMONSTRATING / SELLING EXPENSE	32.00	9.00	32.00	9.00	219.10			
920.00	ADMINISTRATIVE / GENERAL SALARY	32.00	10.00	32.00	10.00	219.10			
921.00	OFFICE SUPPLIES AND EXPENSE	32.00	10.00	32.00	10.00	219.10			
921.10	OFFICE SUPPLIES / EXP.-CLEARING	32.00	10.00	32.00	10.00	219.10			
923.00	OUTSIDE SERVICES EMPLOYED	32.00	10.00	32.00	10.00	219.10			
925.00	INJURIES AND DAMAGES	32.00	10.00	32.00	10.00	219.10			
926.10	EMPLOYEE PENSIONS / BENEFIT CLR	32.00	10.00	32.00	10.00	219.10			
930.20	MISCELLANEOUS GENERAL EXPENSE	32.00	10.00	32.00	10.00	219.10			
930.21	MISC.GENERAL EXP-DUES/MAGAZINE	32.00	10.00	32.00	10.00	219.10			
930.30	DIRECTORS FEES AND EXPENSES	32.00	10.00	32.00	10.00	219.10			
931.00	RENTS	32.00	10.00	32.00	10.00	219.10			
935.10	MAINT.OF STRUCTURES / IMPROVMTS	32.00	10.00	32.00	10.00	219.10			

SHELBY ENER OOP. INC.
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ACCOUNT MASTER LIST
 ALL ACCOUNTS

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ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCOUNT	INACTIVE	BANK TRANSIT BANK ACCOUNT	BANK NAME
		B/S LINE	INC LINE	B/S LINE	INC LINE				
935.20	MAIN.OF OFFICE FURNITURE / FIXTS	32.00	10.00	32.00	10.00	219.10			
935.30	MAIN.OF COMMUNICATIONS EQUIPMENT	32.00	10.00	32.00	10.00	219.10			
935.40	MAIN. OF GENERAL PROPERTY	32.00	10.00	32.00	10.00	219.10			
999.00	PAYROLL EST. HRS. CLEARING ACCT.	32.00	10.00	32.00	10.00	219.10			
TOTAL ACCOUNTS		290							
INCOME		83							
BAL/SHEET		207							

Kentucky 30
Shelby Energy Cooperative
and Subsidiary
Shelbyville, Kentucky
Audited Financial Statements
December 31, 2008 and 2007

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ALAN M. ZUMSTEIN
CERTIFIED PUBLIC ACCOUNTANT

1032 CHETFORD DRIVE
LEXINGTON, KENTUCKY 40509
(859) 264-7147

MEMBER:

- AMERICAN INSTITUTE OF CPA'S
- INDIANA SOCIETY OF CPA'S
- KENTUCKY SOCIETY OF CPA'S
- AICPA DIVISION FOR FIRMS
- TENNESSEE STATE BOARD OF ACCOUNTANCY

Independent Auditor's Report

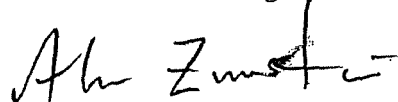
To the Board of Directors
Shelby Energy Cooperative

I have audited the balance sheets of Shelby Energy Cooperative and Subsidiary, as of December 31, 2008 and 2007, and the related statements of income and patronage capital and cash flows for the years then ended. These financial statements are the responsibility of Shelby Energy Cooperative's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and 7 CFR Part 1773, Policy on Audits of Rural Utilities Service (RUS) Borrowers. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Shelby Energy Cooperative and Subsidiary as of December 31, 2008 and 2007, and the results of operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated March 10, 2009, on my consideration of Shelby Energy Cooperative's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audits.



Alan M. Zumstein, CPA
March 10, 2009

ALAN M. ZUMSTEIN
CERTIFIED PUBLIC ACCOUNTANT

1032 CHETFORD DRIVE
LEXINGTON, KENTUCKY 40509
(859) 264-7147

MEMBER:

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- KENTUCKY SOCIETY OF CPA'S
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- TENNESSEE STATE BOARD OF ACCOUNTANCY

To the Board of Directors
Shelby Energy Cooperative

I have audited the financial statements of Shelby Energy Cooperative Corporation as of and for the years ended December 31, 2008 and 2007, and have issued my report thereon dated March 10, 2009. I conducted my audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Shelby Energy's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Shelby Energy's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Shelby Energy's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

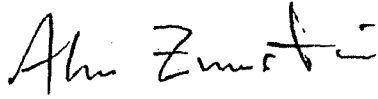
My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

To the Board of Directors
Shelby Energy Cooperative
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Shelby Energy's financial statements are free of material misstatement, I performed test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, the Rural Utilities Service, and supplemental lenders, and is not intended to be and should not be used by anyone other than these specified parties.



Alan M. Zumstein, CPA
March 10, 2009

Shelby Energy Cooperative and Subsidiaries
Consolidated Balance Sheets, December 31, 2008 and 2007

<u>Assets</u>	<u>2008</u>	<u>2007</u>
Utility Plant, at original cost:		
In service	\$64,508,025	\$62,016,216
Under construction	280,252	452,320
	<u>64,788,277</u>	<u>62,468,536</u>
Less accumulated depreciation	11,285,433	9,959,436
	<u>53,502,844</u>	<u>52,509,100</u>
 Investments		
Associated organizations	7,895,854	7,316,994
Others	368,414	368,414
	<u>8,264,268</u>	<u>7,685,408</u>
 Current Assets:		
Cash and cash equivalents	2,069,300	1,532,594
Accounts receivable, less allowance for 2008 of \$399,045 and 2007 of \$418,002	4,484,880	4,441,737
Material and supplies, at average cost	356,794	470,835
Prepayments	117,611	114,645
	<u>7,028,585</u>	<u>6,559,811</u>
Total	<u>\$68,795,697</u>	<u>\$66,754,319</u>
 <u>Members' Equities and Liabilities</u>		
Members' Equities:		
Patronage capital and retained earnings	\$24,601,631	\$24,931,487
Other equities and minority interests	1,226,508	1,091,237
Accumulated other comprehensive income	(419,038)	(441,479)
	<u>25,409,101</u>	<u>25,581,245</u>
Long Term Debt	<u>34,610,334</u>	<u>33,895,264</u>
Accumulated Postretirement Benefits	<u>1,857,970</u>	<u>1,835,779</u>
Current Liabilities:		
Accounts payable	4,022,532	2,651,621
Short term borrowings	55,000	60,835
Current portion of long term debt	1,250,000	1,120,000
Consumer deposits	378,395	385,380
Accrued expenses	308,229	302,021
	<u>6,014,156</u>	<u>4,519,857</u>
Consumer Advances for Construction	<u>904,136</u>	<u>922,174</u>
Total	<u>\$68,795,697</u>	<u>\$66,754,319</u>

The accompanying notes are an integral part of the financial statements.

Consolidated Statements of Revenue and Patronage Capital
for the years ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Operating Revenues	<u>\$39,357,494</u>	<u>\$37,559,331</u>
Operating Expenses:		
Cost of power	31,026,858	28,761,092
Distribution - operations	1,604,113	1,445,128
Distribution - maintenance	1,483,213	1,173,883
Consumer accounts	800,966	838,615
Customer service and information	134,883	132,324
Sales	5,301	5,794
Administrative and general	962,231	754,057
Depreciation, excluding \$130,724 in 2008 and \$124,111 in 2007 charged to clearing accounts	1,896,610	1,823,270
Taxes	54,950	48,402
Other	3,779	12,008
	<u>37,972,904</u>	<u>34,994,573</u>
Operating Margins before Interest Charges	<u>1,384,590</u>	<u>2,564,758</u>
Interest Charges:		
Interest on long-term debt	1,728,385	1,772,442
Other interest	32,330	22,523
	<u>1,760,715</u>	<u>1,794,965</u>
Operating Margins after Interest Charges	<u>(376,125)</u>	<u>769,793</u>
Patronage Capital assigned from:		
East Kentucky Power Cooperative, Inc.	350,180	-
Other organizations	98,238	62,993
	<u>448,418</u>	<u>62,993</u>
Nonoperating Margins:		
Interest income	90,519	223,786
Subsidiary and others	(72,573)	34,177
	<u>17,946</u>	<u>257,963</u>
Net Margins	90,239	1,090,749
Patronage Capital - beginning of year	24,931,487	24,219,281
Retirements of capital credits	<u>(420,095)</u>	<u>(378,543)</u>
Patronage Capital - end of year	<u><u>\$24,601,631</u></u>	<u><u>\$24,931,487</u></u>

The accompanying notes are an integral part of the financial statements.

Consolidated Statements of Cash Flows
for the years ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Cash Flows from Operating Activities:		
Net margins	\$90,239	\$1,090,642
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation		
Charged to expense	1,896,610	1,823,270
Charged to clearing accounts	130,724	124,111
Patronage capital credits	(448,418)	(62,993)
Accumulated postretirement benefits	44,632	(16,499)
Change in assets and liabilities:		
Receivables	(28,444)	(1,153,649)
Material and supplies	114,041	59,736
Prepayments	(2,966)	(1,238)
Payables	1,368,104	176,257
Consumer deposits	(6,985)	14,630
Accrued expenses and accumulated benefits	6,208	(13,182)
Consumer advances for construction	(18,038)	(8,635)
	<u>3,145,707</u>	<u>2,032,450</u>
Cash Flows from Investing Activities:		
Plant additions	(2,829,859)	(3,883,329)
Salvage, net of removal costs	(191,223)	(236,795)
Other investments, net	(140,442)	67,288
	<u>(3,161,525)</u>	<u>(4,052,837)</u>
Cash Flows from Financing Activities:		
Other equities and minority interests	133,384	124,560
Additional long term borrowings	2,000,000	0
Short term borrowings (repayments)	(5,835)	835
Payments on long term debt	(1,155,227)	(1,053,004)
Retirement of patronage capital	(420,095)	(378,436)
Invest in cushion of credit	297	756,345
	<u>552,524</u>	<u>(549,700)</u>
Net increase in cash	536,706	(2,570,087)
Cash balances - beginning of period	<u>1,532,594</u>	<u>4,102,681</u>
Cash balances - end of period	<u>\$2,069,300</u>	<u>\$1,532,594</u>
Supplemental cash flows information:		
Interest paid on long term debt	\$1,735,457	\$1,770,918

The accompanying notes are an integral part of the financial statements.

Note 1. Summary of Significant Accounting Policies

Shelby Energy Cooperative (“Shelby Energy”) maintains its records in accordance with the policies prescribed or permitted by the Kentucky Public Service Commission (“PSC”) and the United States Department of Agriculture, Rural Utilities Service (“RUS”), which conform in all material respects with generally accepted accounting principles. The more significant of these policies are as follows:

Principles of Consolidation The consolidated financial statements include the accounts of Shelby Energy, Shelby Energy Services Corporation (“Service Corporation”) and Shelby Propane Plus, LLC (“Propane Plus”). Shelby Energy owns 75% and East Kentucky Power Cooperative (“East Kentucky”) owns 25% of Service Corporation’s outstanding stock. Service Corporation owns 100% of the outstanding stock of Propane Plus. All significant inter company accounts and transactions have been eliminated.

Business Activity Shelby Energy provides distribution electric service to residential, business and commercial consumers in ten (10) county area of central Kentucky. Service Corporation provides overall business direction to Propane Plus. Propane Plus sells propane and related accessories to residential and commercial customers in central Kentucky.

Cash and Cash Equivalents Shelby Energy considers all short-term, highly liquid investments with original maturities of three months or less to be cash equivalents.

Restricted Cash Included in cash and cash equivalents are funds that are solely for economic development activities in the amount of \$425,093 and \$593,636, for 2008 and 2007, respectively. At December 31, 2008, Shelby Energy had \$182,000 advanced to one of its consumers for economic development activities.

Off Balance Sheet Risk Shelby Energy has off-balance sheet risk in that they maintain cash deposits in financial institutions in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC). At December 31, 2008, the financial institutions reported deposits in excess of the \$250,000 FDIC insured limit several times during the audit period.

Revenue Shelby Energy records revenue as billed to its consumers based on monthly meter-reading cycles. Consumers are required to pay a refundable deposit, however, it may be waived under certain circumstances. Shelby Consumers must pay their bill within 20 days of billing, at which time a disconnect notice is sent with payment to be within 10 days. If not paid, then consumers are subject to disconnect. Accounts are written off when they are deemed to be uncollectible. The allowance for uncollectible accounts is based on the aging of receivables. There were no individual account balances that exceeded 10% of outstanding accounts receivable at December 31, 2008 and 2007.

Propane Plus recognizes revenue when earned, regardless of the period in which they are billed. Propane sales are recognized when deliveries are made, tank rental are recognized each month, and sales of related accessories at the time of sale.

Cost of Power Shelby Energy is one of sixteen (16) members of East Kentucky Power Cooperative (“East Kentucky”). Under a wholesale power agreement, Shelby Energy is committed to purchase its electric power and energy requirements from East Kentucky until 2045. The rates charged by East Kentucky are subject to approval of the PSC. The cost of purchased power is recorded monthly during the period in which the energy is consumed, based upon billings from East Kentucky.

Notes to Financial Statements, continued

Note 1. Summary of Significant Accounting Policies, continued

Propane Purchased Propane Plus purchases all of its propane requirements from an unrelated party through Kentucky Propane Plus, LLC, a related party. Propane is delivered to bulk tanks owned by Propane Plus, then delivered to customers on an as needed basis.

Propane Inventory Propane is measured at the end of each month and valued based on the current purchase price of propane.

Utility Plant Electric plant is stated at original cost, which is the cost when first dedicated to public service. Such amount includes applicable supervisory and overhead cost including any construction period interest and taxes. There was no interest required to be capitalized during the year.

The cost of maintenance and repairs, including renewals of minor items of property, is charged to operating expense. The cost of replacement of depreciable property units, as distinguished from minor items, is charged to electric plant. The units of property replaced or retired, including cost of removal, net of any salvage value, is charged to accumulated depreciation.

Propane Plus's fixed assets consist primarily of propane tanks located on customer's premises, bulk tanks, trucks used for delivery, and buildings and office equipment.

The major classifications of utility plant in service consist of:

	<u>2008</u>	<u>2007</u>
Distribution plant	\$59,185,890	\$56,753,768
General plant	<u>3,071,548</u>	<u>2,997,470</u>
Subtotal electric plant	<u>62,257,438</u>	<u>59,751,238</u>
Propane tanks on customer premises	1,246,541	1,263,499
Bulk tanks	269,503	266,936
Delivery and other trucks	366,823	366,823
Land and buildings	305,634	305,634
Office and other equipment	<u>62,086</u>	<u>62,086</u>
Subtotal propane plant	<u>2,250,587</u>	<u>2,264,978</u>
	<u>\$64,508,025</u>	<u>\$62,016,216</u>

Depreciation Shelby Energy's provision has been made for depreciation on the basis of the estimated lives of assets, using the straight-line method. Distribution plant depreciation is based on a composite rate of 2.98% per annum. General plant rates are as follows:

Structures and improvements	2.5%
Transportation equipment	10% - 20%
Other general plant	5% - 10%

Propane Plus' depreciation is computed using the straight-line method over the useful lives of its assets.

Advertising Shelby Energy expenses advertising costs as incurred.

Continued

Notes to Financial Statements, continued

Note 1. Summary of Significant Accounting Policies, continued

Management Services Propane Plus is one of four (4) members of a group of propane companies that utilize the abilities of an individual who manages the day to day operations of each propane company and arranges for the purchase of bulk propane. Propane Plus shares the cost equally for the labor, benefits, and other costs of this manager.

Goodwill Goodwill has been recorded in connection with the purchase of one-half (1/2) of the interest from an unrelated party on June 30, 2000. The excess of the payment price over the value of assets acquired has been recorded as goodwill. Propane Plus is applying SFAS No. 142, *Goodwill and Other Intangible Assets*, with goodwill being tested for impairment. Goodwill was tested for impairment and it was determined that goodwill has not been impaired, therefore, there was no amortization for 2008 or 2007.

Fair Value of Financial Instruments The carrying amounts of Shelby Energy's cash and cash equivalents, other receivables, investments, inventories, other assets, trade accounts payable, accrued expenses and liabilities, and other liabilities approximate fair value. The carrying value of long term debt approximates the fair value since interest rates approximate the current interest rates. Investments in associated organizations are not considered a financial instrument because they represent nontransferable interests in associated organizations.

Shelby Energy may, and also does, will also invest idle funds in local banks and in National Rural Utilities Cooperative Finance Corporation ("CFC") commercial paper. These investments are classified as held-to-maturity in accordance with Statement of Financial Accounting Standards ("SFAS") No. 115. Held-to-maturity securities are presented at amortized cost. The fair value of held-to-maturity securities approximates cost at 2008 and 2007.

Risk Management Shelby Energy is exposed to various forms of losses of assets associated with, but not limited to, fire, personal liability, theft, vehicular accidents, errors and omissions, fiduciary responsibility, workers compensation, etc. Each of these areas is covered through the purchase of commercial insurance.

Estimates The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates used in the preparation of the financial statements.

Income Tax Status Shelby Energy is exempt from federal and state income taxes under provisions of Section 501(c)(12). Accordingly, the financial statements for Shelby Energy include no provision for income taxes.

Income taxes for Service Corporation are provided on income as reported in the accompanying statements regardless of when such taxes are payable.

Propane Plus is a limited liability company treated as a partnership for federal income tax purposes. All tax related issues would be passed on to Service Corporation. Propane Plus uses the same depreciation for book and taxes, therefore, deferred taxes are considered immaterial and are not recorded.

Continued

Notes to Financial Statements, continued

Note 2. Investments in Associated Organizations

Shelby Energy records patronage capital assigned by associated organizations in the year in which such assignments are received.

The Capital Term Certificates (“CTCs”) of CFC are recorded at cost. The CTCs were purchased from CFC as a condition of obtaining long-term financing. The CTCs bear interest at 0%, 3%, and 5% and are scheduled to mature at varying times from 2020 to 2080.

Investments in associated organizations consist of:

	<u>2008</u>	<u>2007</u>
East Kentucky, patronage capital	\$6,371,937	\$6,021,757
CFC, patronage capital	149,722	151,680
CFC, CTC's	649,222	651,548
Other associated organizations	542,973	492,009
Other, Economic development loan	<u>182,000</u>	<u>-</u>
Total	<u>\$7,895,854</u>	<u>\$7,316,994</u>

Note 3. Patronage Capital

Under provisions of the long-term debt agreement, return to patrons of capital contributed by them is limited to amounts which would not allow the total equities and margins to be less than 30% of total assets, except that distributions may be made to estates of deceased patrons. The debt agreement provides, however, that should such distributions to estates not exceed 25% of the net margins for the next preceding year, Shelby Energy may distribute the difference between 25% and the payments made to such estates. The equity at December 31, 2008 was 37% of total assets.

Patronage capital consists of:

	<u>2008</u>	<u>2007</u>
Assigned to date	\$28,463,031	\$27,648,276
Assignable margins	90,239	1,090,642
Unassigned non operating margins	835,964	560,077
Retirements to date	<u>(4,787,603)</u>	<u>(4,367,508)</u>
Total	<u>\$24,601,631</u>	<u>\$24,931,487</u>

Note 4. Accumulated Other Comprehensive Income

The changes in accumulated other comprehensive income, which includes the effects of applying the provisions of SFAS No. 158, Employer’s Accounting for Defined Benefit Pension and Other Postretirement Plans, follows:

	<u>2008</u>	<u>2007</u>
Balance, beginning of period	(\$441,479)	-
Amortization and adjustments	22,441	-
Initially apply SFAS No. 158	<u>-</u>	<u>(441,479)</u>
Total	<u>(\$419,038)</u>	<u>(\$441,479)</u>

Continued

Notes to Financial Statements, continued

Note 5. Long Term Debt

All assets, except vehicles, are pledged as collateral on the long term debt to RUS, Federal Financing Bank (“FFB”), and CFC under a joint mortgage agreement. Long term debt consists of:

	<u>2008</u>	<u>2007</u>
RUS, 2% to 6%	<u>\$15,400,256</u>	<u>\$13,954,957</u>
FFB, 4.207% to 5.316%	<u>15,786,356</u>	<u>16,085,742</u>
CFC:		
7.00% notes	-	17,501
5.85 to 6.65% notes (6.25 to 6.46% in 2007)	<u>3,893,463</u>	<u>4,084,245</u>
	<u>3,893,463</u>	<u>4,101,746</u>
	35,080,075	34,142,445
Less current portion	<u>1,150,000</u>	<u>1,030,000</u>
Long term portion	<u><u>\$33,930,075</u></u>	<u><u>\$33,112,445</u></u>

The interest rates on the notes to CFC are subject to change every seven years from the repricing date for each individual note. The long term debt is due in quarterly and monthly installments of varying amounts through 2039. Shelby Energy has a loan funds available from RUS in the amount of \$9,808,000. RUS assess 12.5 basis points to administer the FFB loans.

As of December 31, 2008, the annual principal payments for the next five years are as follows: 2009 - \$1,150,000; 2010 - \$1,200,000; 2011 - \$1,300,000; 2012 - \$1,400,000; 2013 - \$1,500,000.

Note 6. Note Payable to Related Party

On September 12, 2000, East Kentucky issued a “Commercial Note With Guaranty” in the amount of \$1,061,193 to Propane Plus. The interest rate is variable, with the rate being the “Index Rate” as published in the Wall Street Journal, minus on-half (1/2) percent. The rate as of December 31, 2008 was 4.50% and at 2007 was 7.75%.

As of December 31, 2008, the annual principal payments for the next five years are as follows: 2009 - \$100,000; 2010 - \$110,000; 2011 - \$120,000; 2012 - \$130,000; 2013 - \$140,000.

Note 7. Short Term Borrowings

At December 31, 2008, Shelby Energy had a short term line of credit of \$6,000,000 available from CFC. All advances against this line of credit have been repaid.

At December 31, 2008, Propane Plus had a short term line of credit of \$150,000 available from Peoples Bank of Mt. Washington. Collateral for the line of credit is the trucks and equipment. The interest rate is prime, plus two points, with a floor of 7.5%. There were no advances against this line of credit during the audit period.

Propane Plus has advanced unsecured funds from Clark Energy Propane Plus, LLC, in the amount of \$55,000 and \$60,000 at December 31, 2008 and 2007, respectively. The advances bear interest at 5%. In addition, Propane Plus advanced funds from Service Corporation in the amount of \$160,000, using the “Federal Fund” interest rate. The interest rate at December 31, 2008 was 4.01%.

Continued

Notes to Financial Statements, continued

Note 8. Pension Plan

Shelby Energy provides retirement benefits for substantially all employees through participation in the NRECA Retirement and Security Program, a multi-employer plan. In this defined benefit plan, pension for 2007. Contributions for pension expense were \$210,922 for 2008 and \$213,385 for 2007. In this master multi-employer plan, which is available to all member cooperatives of NRECA, the accumulated benefits and plan assets are not determined or allocated separately by individual employer.

Propane Plus has a profit sharing plan of 10% of net profits before the pension amount, where managers receive 5% of the plan amount and the remaining employees sharing 5%. The pension amount for 2008 was \$6,380 and 2007 was \$5,169.

Note 9. Postretirement Benefits

Shelby Energy sponsors a defined benefit plan that provides medical insurance coverage to retired employees hired prior to July 1, 1996. Employees hired after July 1, 1996 are not eligible to participate. The plan calls for benefits to be paid at retirement based primarily upon years of service with Shelby Energy. The following is a reconciliation of the postretirement obligation.

The funded status of the plan is as follows:

	<u>2008</u>	<u>2007</u>
Projected benefit obligation	(\$1,857,970)	(\$1,835,779)
Plan assets at fair value		-
Total	<u>(\$1,857,970)</u>	<u>(\$1,835,779)</u>

The components of net periodic postretirement benefit costs are as follows:

	<u>2008</u>	<u>2007</u>
Net periodic benefit cost	\$160,200	\$108,000
Benefits paid to participants	115,568	124,498

Projected retiree benefit payments for the next five years are expected to be as follows: 2009 - \$98,000; 2010 - \$106,000; 2011 - \$112,000; 2012 - \$98,000; 2013 - \$96,000.

The discount rate used in determining the APBO was 6.50% for 2008 and 2007. The health care cost trend rate used to compute the APBO in an 8% annual rate of increase for 2007, and decreasing gradually to 5.5%, then remain at that level thereafter.

Note 10. Lease

Shelby Energy leases space for its branch office from an unrelated party. The lease, dated October 24, 1997, is for a period of 10 years, with a renewal option for 5 additional years. This is an operating lease with monthly payments of \$475 per month.

Note 11. Related Party Transactions

Several of the Directors of Shelby Energy, its President & CEO, and another employee are on the boards of directors of various associated organizations.

Continued

Notes to Financial Statements, continued

Note 12. Commitments

Shelby Energy is contingently liable as guarantor for approximately \$228,000 of long term obligations of East Kentucky to RUS, CFC, and institutional investors. Substantially all assets of Shelby Energy are pledged as collateral for this guarantee, in addition to the pledge in the mortgage agreement referred to in Note 5. This contingent liability was part of an overall financing plan for the construction of a generating facility near Maysville, Kentucky.

Shelby Energy has various other agreements outstanding with local contractors. Under these agreements, the contractors will perform certain meter reading, construction, and maintenance work at specified hourly rates or unit cost, or on an as needed basis. The duration of these contracts are one to three years.

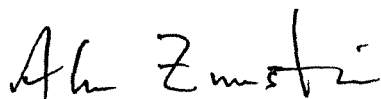
Note 13. Environmental Contingency

Shelby Energy from time to time is required to work with and handle PCBs, herbicides, automotive fluids, lubricants, and other hazardous materials in the normal course of business. As a result, there is the possibility that environmental conditions may arise which would require Shelby Energy to incur cleanup costs. The likelihood of such an event, or the amount of such costs, if any, cannot be determined at this time. However, management does not believe such costs, if any, would materially affect Shelby Energy's financial position or its future cash flows.

Independent Auditor's Report

To the Board of Directors
Shelby Energy Cooperative

My report on the audits of the consolidated financial statements of Shelby Energy Cooperative and Subsidiary as of December 31, 2008 and 2007, and for the years then ended appears on page 1. My audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and cash flows of the individual companies. The supplementary consolidating information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.



Alan M. Zumstein, CPA
March 10, 2009

Shelby Energy Cooperative and Subsidiary
Consolidating Balance Sheet, December 31, 2008

<u>Assets</u>	<u>Energy</u>	<u>Services</u>	<u>Propane</u>	<u>Eliminations</u>	<u>Consolidated</u>
Utility Plant, at original cost:					
In service	\$62,257,438		\$2,250,587		\$64,508,025
Under construction	280,252				280,252
	<u>62,537,690</u>		<u>2,250,587</u>		<u>64,788,277</u>
Less accumulated depreciation	10,458,392		827,041		11,285,433
	<u>52,079,298</u>		<u>1,423,546</u>		<u>53,502,844</u>
Investments and Other Assets:					
Associated organizations	7,895,854				7,895,854
Goodwill, net of amortization			368,414		368,414
Subsidiary	826,036	931,538		(1,757,574)	0
	<u>8,721,890</u>	<u>931,538</u>	<u>368,414</u>	<u>(1,757,574)</u>	<u>8,264,268</u>
Current Assets:					
Cash and cash equivalents	2,022,188	4,051	43,061		2,069,300
Accounts receivable, less allowance for Energy of \$392,445 and Propane of \$6,600	4,205,407	170,000	273,347	(163,874)	4,484,880
Material and supplies, at average cost	289,486		67,308		356,794
Prepayments	109,361		8,250		117,611
	<u>6,626,442</u>	<u>174,051</u>	<u>391,966</u>	<u>(163,874)</u>	<u>7,028,585</u>
 Total	 <u>\$67,427,630</u>	 <u>\$1,105,589</u>	 <u>\$2,183,926</u>	 <u>(\$1,921,448)</u>	 <u>\$68,795,697</u>
<u>Members' Equities and Liabilities</u>					
Members' and Stockholder's Equities:					
Capital investment		\$1,379,000	\$860,941	(\$2,239,941)	\$0
Patronage capital and retained earnings	24,601,631	(552,964)	70,597	482,367	24,601,631
Minority interests and other equities	950,829	275,679			1,226,508
Accum other comprehensive income	(419,038)				(419,038)
	<u>25,133,422</u>	<u>1,101,715</u>	<u>931,538</u>	<u>(1,757,574)</u>	<u>25,409,101</u>
Long Term Debt	<u>33,930,075</u>		<u>680,259</u>		<u>34,610,334</u>
Accumulated Postretirement Benefits	<u>1,857,970</u>				<u>1,857,970</u>
Current Liabilities:					
Accounts payable	3,765,403	3,874	257,129	(3,874)	4,022,532
Short term borrowings	-		215,000	(160,000)	55,000
Current portion of long term debt	1,150,000		100,000		1,250,000
Consumer deposits	378,395				378,395
Accrued expenses	308,229				308,229
	<u>5,602,027</u>	<u>3,874</u>	<u>572,129</u>	<u>(163,874)</u>	<u>6,014,156</u>
Consumer Advances for Construction	<u>904,136</u>				<u>904,136</u>
 Total	 <u>\$67,427,630</u>	 <u>\$1,105,589</u>	 <u>\$2,183,926</u>	 <u>(\$1,921,448)</u>	 <u>\$68,795,697</u>

The accompanying notes are an integral part of the financial statements.

Shelby Energy Cooperative and Subsidiaries
Consolidating Balance Sheet, December 31, 2007

<u>Assets</u>	<u>Energy</u>	<u>Services</u>	<u>Propane</u>	<u>Eliminations</u>	<u>Consolidated</u>
Utility Plant, at original cost:					
In service	\$59,751,238		\$2,264,978		\$62,016,216
Under construction	452,320				452,320
	<u>60,203,558</u>		<u>2,264,978</u>		<u>62,468,536</u>
Less accumulated depreciation	9,210,103		749,333		9,959,436
	<u>50,993,455</u>		<u>1,515,645</u>		<u>52,509,100</u>
Investments and Other Assets:					
Associated organizations	7,316,994				7,316,994
Goodwill, net of amortization			368,414		368,414
Subsidiary	774,404	871,521		(1,645,925)	0
	<u>8,091,398</u>	<u>871,521</u>	<u>368,414</u>	<u>(1,645,925)</u>	<u>7,685,408</u>
Current Assets:					
Cash and cash equivalents	1,507,264	7,441	17,889		1,532,594
Accounts receivable, less allowance for Energy of \$412,802 and Propane of \$5,200	4,267,360	160,000	185,159	(170,782)	4,441,737
Material and supplies, at average cos	407,186		63,649		470,835
Prepayments	106,845		7,800		114,645
	<u>6,288,655</u>	<u>167,441</u>	<u>274,497</u>	<u>(170,782)</u>	<u>6,559,811</u>
Total	<u>\$65,373,508</u>	<u>\$1,038,962</u>	<u>\$2,158,556</u>	<u>(\$1,816,707)</u>	<u>\$66,754,319</u>
<u>Members' Equities and Liabilities</u>					
Members' and Stockholder's Equities:					
Memberships and capital		\$1,379,000	\$860,941	(\$2,239,941)	\$0
Patronage capital and retained earnings	24,931,487	(604,591)	10,575	594,016	24,931,487
Minority interests and other equities	832,767	258,470			1,091,237
Accum other comprehensive income	(441,479)				(441,479)
	<u>25,322,775</u>	<u>1,032,879</u>	<u>871,516</u>	<u>(1,645,925)</u>	<u>25,581,245</u>
Long Term Debt	<u>33,112,445</u>		<u>782,819</u>		<u>33,895,264</u>
Accumulated Postretirement Benefits	<u>1,835,779</u>				<u>1,835,779</u>
Current Liabilities:					
Accounts payable	2,462,934	6,083	193,386	(10,782)	2,651,621
Short term borrowings	-		220,835	(160,000)	60,835
Current portion of long term debt	1,030,000		90,000		1,120,000
Consumer deposits	385,380				385,380
Accrued expenses	302,021				302,021
	<u>4,180,335</u>	<u>6,083</u>	<u>504,221</u>	<u>(170,782)</u>	<u>4,519,857</u>
Consumer Advances for Construction	<u>922,174</u>				<u>922,174</u>
Total	<u>\$65,373,508</u>	<u>\$1,038,962</u>	<u>\$2,158,556</u>	<u>(\$1,816,707)</u>	<u>\$66,754,319</u>

The accompanying notes are an integral part of the financial statements.

Consolidating Statement of Revenue and Patronage Capital
for the year ended December 31, 2008

	<u>Energy</u>	<u>Services</u>	<u>Propane</u>	<u>Eliminations</u>	<u>Consolidated</u>
Operating Revenues	\$36,715,091		\$2,642,403		\$39,357,494
Operating Expenses:					
Cost of purchases	29,125,693		1,901,165		31,026,858
Distribution - operations	1,282,390		321,723		1,604,113
Distribution - maintenance	1,483,213				1,483,213
Consumer accounts	718,598		82,368		800,966
Customer service and information	134,883				134,883
Sales	5,301				5,301
Administrative and general	860,421	7,499	94,311		962,231
Depreciation, excluding \$130,724 charged to clearing accounts	1,793,305		103,305		1,896,610
Taxes	34,608		20,342		54,950
Other	3,779				3,779
	<u>35,442,191</u>	<u>7,499</u>	<u>2,523,214</u>		<u>37,972,904</u>
Operating Margins before Interest Charg	<u>1,272,900</u>	<u>(7,499)</u>	<u>119,189</u>		<u>1,384,590</u>
Interest Charges:					
Interest on long term debt	1,669,016		59,369		1,728,385
Other interest	32,330				32,330
	<u>1,701,346</u>		<u>59,369</u>		<u>1,760,715</u>
Operating Margins after Interest Charges	<u>(428,446)</u>	<u>(7,499)</u>	<u>59,820</u>		<u>(376,125)</u>
Patronage Capital assigned from:					
East Kentucky Power Cooperative	350,180				350,180
Other organizations	98,238				98,238
	<u>448,418</u>				<u>448,418</u>
Nonoperating Margins:					
Interest income	76,081	14,426	12		90,519
Subsidiary and others	(5,814)	60,022	190	(126,971)	(72,573)
	<u>70,267</u>	<u>74,448</u>	<u>202</u>	<u>(126,971)</u>	<u>17,946</u>
Net Margins	90,239	66,949	60,022	(126,971)	90,239
Patronage Capital - beginning of year	24,931,487	(604,591)	10,575	594,016	24,931,487
Retirements of capital credits and others	(420,095)	(15,322)		15,322	(420,095)
Patronage Capital - end of year	<u>\$24,601,631</u>	<u>(\$552,964)</u>	<u>\$70,597</u>	<u>\$482,367</u>	<u>\$24,601,631</u>

The accompanying notes are an integral part of the financial statements.

Consolidating Statement of Revenue and Patronage Capital
for the year ended December 31, 2007

	Energy	Services	Propane	Eliminations	Consolidated
Operating Revenues	\$35,483,826		\$2,075,505		\$37,559,331
Operating Expenses:					
Cost of purchases	27,337,041		1,424,051		28,761,092
Distribution - operations	1,144,890		300,238		1,445,128
Distribution - maintenance	1,173,883				1,173,883
Consumer accounts	771,844		66,771		838,615
Customer service and information	132,324				132,324
Sales	5,794				5,794
Administrative and general	659,139	9,771	85,147		754,057
Depreciation, excluding \$112,745 charged to clearing accounts	1,717,103		106,167		1,823,270
Taxes	34,584		13,818		48,402
Other	12,008				12,008
	<u>32,988,610</u>	<u>9,771</u>	<u>1,996,192</u>		<u>34,994,573</u>
Operating Margins before Interest Ch:	2,495,216	(9,771)	79,313		2,564,758
Interest Charges:					
Interest on long term debt	1,690,545		81,897		1,772,442
Other interest	22,523				22,523
	<u>1,713,068</u>		<u>81,897</u>		<u>1,794,965</u>
Operating Margins after Interest Char	782,148	(9,771)	(2,584)		(1,662,641)
Patronage Capital assigned from:					
East Kentucky Power Cooperative	-				0
Other organizations	62,993				62,993
	<u>62,993</u>				<u>62,993</u>
Nonoperating Margins:					
Interest income	215,989	7,786	11		223,786
Subsidiary and others	29,512	2,415	4,988	(2,738)	34,177
	<u>245,501</u>	<u>10,201</u>	<u>4,999</u>	<u>(2,738)</u>	<u>257,963</u>
Net Margins	1,090,642	430	2,415	(2,738)	1,090,749
Patronage Capital - beginning of year	24,219,281	(604,914)	8,160	596,754	24,219,281
Retirements of capital credits and others	(378,436)	(107)			(378,543)
Patronage Capital - end of year	<u>\$24,931,487</u>	<u>(\$604,591)</u>	<u>\$10,575</u>	<u>\$594,016</u>	<u>\$24,931,487</u>

The accompanying notes are an integral part of the financial statements.

Consolidating Statement of Cash Flows
for the year ended December 31, 2008

	Energy	Services	Propane	Eliminations	Consolidated
Cash Flows from Operating Activities:					
Net margins	\$90,239	\$66,949	\$60,022	(\$126,971)	\$90,239
Adjustments to reconcile to net cash provided by operating activities:					
Depreciation					
Charged to expense	1,793,305		103,305		1,896,610
Charged to clearing accounts	130,724				130,724
Patronage capital credits	(448,418)				(448,418)
(Profit) or loss in subsidiary	(51,627)	(60,022)		111,649	0
Accumulated postretirement benefits	44,632				44,632
Change in assets and liabilities:					
Receivables	61,953		(88,188)	(2,209)	(28,444)
Material and supplies	117,700		(3,659)		114,041
Prepayments	(2,516)		(450)		(2,966)
Payables	1,302,469	(317)	63,743	2,209	1,368,104
Consumer deposits	(6,985)				(6,985)
Accrued expenses	6,208				6,208
Consumer advances for construction	(18,038)				(18,038)
	<u>3,019,646</u>	<u>6,610</u>	<u>134,773</u>	<u>(15,322)</u>	<u>3,145,707</u>
Cash Flows from Investing Activities:					
Plant additions	(2,818,653)		(11,206)		(2,829,859)
Salvage, net of removal costs	(191,223)				(191,223)
Other investments, net	(130,442)	(10,000)			(140,442)
	<u>(3,140,319)</u>	<u>(10,000)</u>	<u>(11,206)</u>		<u>(3,161,525)</u>
Cash Flows from Financing Activities:					
Other equities	118,062			15,322	133,384
Additional long term borrowings	2,000,000				2,000,000
Short term borrowings (repayments)	-		(5,835)		(5,835)
Payments on long term debt	(1,062,667)		(92,560)		(1,155,227)
Retirement of patronage capital	(420,095)				(420,095)
Invest in cushion of credit	297				297
	<u>635,597</u>		<u>(98,395)</u>	<u>15,322</u>	<u>552,524</u>
Net increase in cash	514,924	(3,390)	25,172		536,706
Cash and cash equivalents - beginning	<u>1,507,264</u>	<u>7,441</u>	<u>17,889</u>		<u>1,532,594</u>
Cash and cash equivalents - end	<u>\$2,022,188</u>	<u>\$4,051</u>	<u>\$43,061</u>		<u>\$2,069,300</u>
Supplemental cash flows information:					
Interest paid on long term debt	\$1,676,088		\$59,369		\$1,735,457

The accompanying notes are an integral part of the financial statements.

Consolidating Statement of Cash Flows
for the year ended December 31, 2007

	<u>Energy</u>	<u>Services</u>	<u>Propane</u>	<u>Eliminations</u>	<u>Consolidated</u>
Cash Flows from Operating Activities:					
Net margins	\$1,090,642	\$430	\$2,415	(\$2,845)	\$1,090,642
Adjustments to reconcile to net cash provided by operating activities:					
Depreciation					
Charged to expense	1,717,103		106,167		1,823,270
Charged to clearing accounts	124,111				124,111
Patronage capital credits	(62,993)				(62,993)
(Profit) or loss in subsidiary	(430)	(2,415)		2,845	0
Accumulated postretirement benefits	(16,499)				(16,499)
Change in assets and liabilities:					
Receivables	(1,114,253)		(44,104)	4,708	(1,153,649)
Material and supplies	63,243		(3,507)		59,736
Prepayments	(2,663)		1,425		(1,238)
Payables	92,838	(4,703)	92,830	(4,708)	176,257
Consumer deposits	14,630				14,630
Accrued expenses	(13,182)				(13,182)
Consumer advances for constructio	(8,635)				(8,635)
	<u>1,883,912</u>	<u>(6,688)</u>	<u>155,226</u>	<u></u>	<u>2,032,450</u>
Cash Flows from Investing Activities:					
Plant additions	(3,770,946)		(112,383)		(3,883,329)
Salvage, net of removal costs	(236,795)				(236,795)
Other investments, net	67,288				67,288
	<u>(3,940,454)</u>	<u></u>	<u>(112,383)</u>	<u></u>	<u>(4,052,837)</u>
Cash Flows from Financing Activities:					
Other equities	124,560				124,560
Additional long term borrowings	-				0
Short term borrowings (repayments)	-		835		835
Payments on long term debt	(971,535)		(81,469)		(1,053,004)
Retirement of patronage capital	(378,436)				(378,436)
Invest in cushion of credit	756,345				756,345
	<u>(469,066)</u>	<u></u>	<u>(80,634)</u>	<u></u>	<u>(549,700)</u>
Net increase in cash	(2,525,608)	(6,688)	(37,791)		(2,570,087)
Cash and cash equivalents - beginning	<u>4,032,872</u>	<u>14,129</u>	<u>55,680</u>		<u>4,102,681</u>
Cash and cash equivalents - end,	<u>\$1,507,264</u>	<u>\$7,441</u>	<u>\$17,889</u>		<u>\$1,532,594</u>
Supplemental cash flows information:					
Interest paid on long term debt	\$1,689,021		\$81,897		\$1,770,918

The accompanying notes are an integral part of the financial statements.

ALAN M. ZUMSTEIN
CERTIFIED PUBLIC ACCOUNTANT

1032 CHETFORD DRIVE
LEXINGTON, KENTUCKY 40509
(859) 264-7147

To the Board of Directors
Shelby Energy Cooperative

MEMBER:

- AMERICAN INSTITUTE OF CPA'S
- INDIANA SOCIETY OF CPA'S
- KENTUCKY SOCIETY OF CPA'S
- AICPA DIVISION FOR FIRMS
- TENNESSEE STATE BOARD OF ACCOUNTANCY

I have audited the financial statements of Shelby Energy Cooperative for the year ended December 31, 2008, and have issued my report thereon dated March 10, 2009. I conducted my audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and 7 CFR Part 1773, Policy on audits of the Rural Utilities Service (RUS) Borrowers. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing my audit of the financial statements of Shelby Energy for the year ended December 31, 2008, I considered its internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weakness. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting that I consider to be a material weakness.

7 CFR Part 1773.33 requires comments on specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions and other additional matters. I have grouped my comments accordingly. In addition to obtaining reasonable assurance about whether the financial statements are free from material misstatements, at your request, I performed tests of specific aspects of the internal control over financial reporting, of compliance with specific RUS loan and security instrument provisions and of additional matters. The specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and additional matters tested include, among other things, the accounting procedures and records, material control, compliance with specific RUS loan and security instrument provisions set forth in 7 CFR Part 1773.33(d)(1) related transactions, depreciation rates, a schedule of deferred debits and credits and a schedule of investments, upon which I express an opinion. In addition, my audit of the financial statements also included the procedures specified in 7 CFR Part 1773.38-45. My Objective was not to provide an opinion on these specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, or additional matters, and accordingly, I express no opinion thereon.

No reports, other than my independent auditor's report, and my independent auditor's report on internal control over financial reporting and compliance and other matters, all dated March 10, 2009, or summary of recommendations related to my audit have been furnished to management.

My comments on specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions and other additional matters as required by 7 CFR Part 1773.33 are presented below.

Comments on Certain Specific Aspects of the Internal Control Over Financial Reporting

I noted no matters regarding Shelby Energy's internal control over financial reporting and its operation that I consider to be a material weakness as previously defined with respect to:

- The accounting procedures and records;
- the process for accumulating and recording labor, material and overhead costs, and the distribution of these costs to construction, retirement, and maintenance and other expense accounts, and;
- the material controls.

Comments on Compliance with Specific RUS Loan and Security Instrument Provisions

At your request, I have performed the procedures enumerated below with respect to compliance with certain provisions of laws, regulations, and contracts. The procedures I performed are summarized as follows:

- Procedures performed with respect to the requirement for a borrower to obtain written approval of the mortgagee to enter into any contract for the operation or maintenance of property, or for the use of mortgaged property by others for the year ended December 31, 2008, of Shelby Energy.
 1. Obtained and read a borrower prepared schedule of new written contracts entered into during the year for the operation or maintenance of its property, or for the use of its property by others as defined in 1773.33(e)(1)(i).
 2. Reviewed Board of Director minutes to ascertain whether board-approved written contracts are included in the borrower-prepared schedule.
 3. Noted written RUS approval was not obtained by the borrower for all contracts listed. Shelby Energy's management informed me that RUS approval was not required as the contracts listed related to operation or maintenance entered into during the normal course of business.
- Procedures performed with respect to the requirement to submit RUS Form 7 to RUS:
 1. Agreed amounts reported in RUS Form 7 to Shelby Energy's records as of December 31, 2008.

The results of my tests indicate that, with respect to the items tested, Shelby Energy complied in all material respects, with the specific RUS loan and security instrument provisions referred to below. With respect to items not tested, nothing came to my attention that caused me to believe that Shelby Energy had not complied, in all material respects, with those provisions. The specific provisions tested, as well as any exceptions noted, include the requirements that:

- The borrower has obtained written approval of RUS to enter into any contract for the operation and maintenance of all or any part of property, for the use of mortgaged property by others as defined in 1773.33(d)(1)(i); and ,

- The borrower has submitted its RUS Form 7 to RUS and the Form 7, Financial and Statistical Report, as of December 31, 2008, represented by the borrower as having been submitted to RUS appears to be in agreement with its audited records in all material respects.

Comments on Other Additional Matters

In connection with my audit of Shelby Energy, nothing come to my attention that caused me to believe that Shelby Energy failed to comply with respect to:

- The reconciliation of continuing property records to controlling general ledger plant accounts addressed at 7 CFR Part 1773.33(c)(1);
- The clearing of the construction accounts and the accrual of depreciation on completed construction addressed at 7 CFR Part 1773.33(c)(2);
- The retirement of plant addressed at 7 CFR 1773.33(c)(3) and (4);
- Approval of the sale, lease, or transfer of capital assets and disposition of proceeds for the sale or lease of plant, material, or scrap addressed at 7 CFR Part 1773.33(c)(5);
- The disclosure of material related party transactions, in accordance with Statement of Financial Accounting Standard No. 57, Related party Transactions, for the year ended December 31, 2008, in the financial statements referenced in the first paragraph of this report addressed at 7 CFR Part 1773.33(f);
- The depreciation rates addressed at 7 CFR 1773.33(g);
- The detailed schedule of deferred debits and deferred credits; and,
- The detailed schedule of investments.

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The detailed schedule of deferred debits and deferred credits required by 7 CFR Part 1773(h) and provided below is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in my audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Shelby Energy is a 75% owner of a subsidiary corporation that is engaged in the distributions sales of propane gas through a limited liability corporation (LLC) in and around the areas in which Shelby Energy provides electric service. The initial investment was \$7,500. The investment is comprised of the following:


	<u>Investment</u>	<u>Profits</u>
Balance, beginning of year	\$1,379,000	(\$604,596)
Activity for 2008	-	51,632
Balance, end of year	<u>\$1,379,000</u>	<u>(\$552,964)</u>

To the Board of Directors
Shelby Energy Cooperative
Page - 4

The deferred credits are as follows:

Consumer advances for construction	<u>\$904,136</u>
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This report is intended solely for the information and use of the Board of Directors, management, RUS, and supplemental lenders and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



Alan M. Zumstein, CPA
March 10, 2009

Exhibit O
Page 1 of 1
Witness: Jim Adkins

**SHELBY ENERGY COOPERATIVE
CASE NO. 2009-00410**

Computer Software Programs

Shelby Energy has used Microsoft Excel and Microsoft Word in the preparations of this Application.

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Witness: Debbie Martin

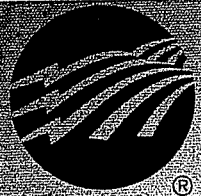
Shelby Energy Cooperative
Case No. 2009-00410
July 31, 2009

Annual Meeting Information

The most recent Shelby Energy Cooperative annual meeting was held May 12, 2009. The minutes of that annual meeting are attached, along with the insert in the Kentucky Living Magazine, describing the annual meeting.

Data for the last five (5) annual meetings are as follows:

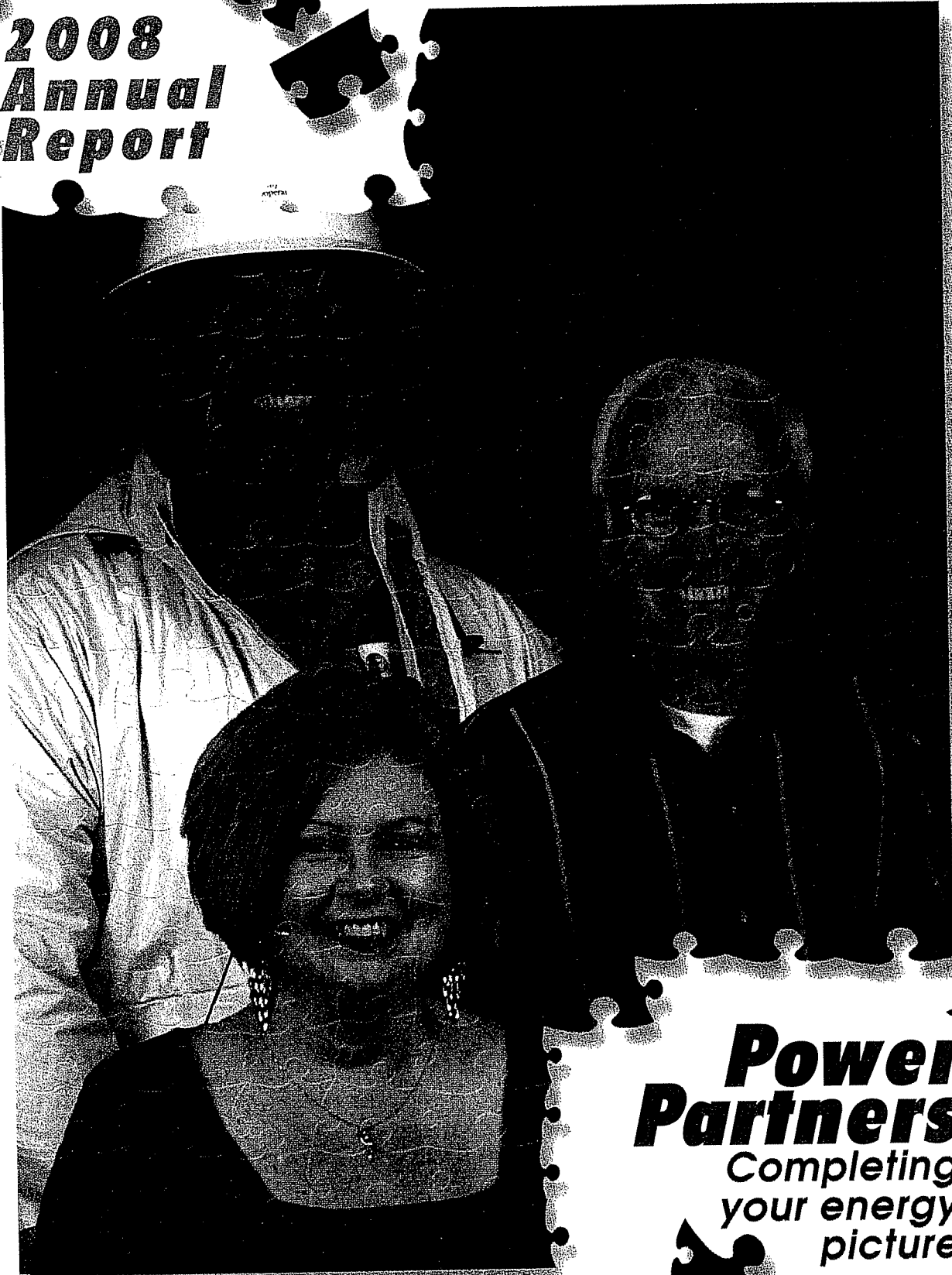
<u>Year</u>	<u>Members Attending</u>	<u>Members Voting</u>	<u>Cost</u>
2008	254	1,375	\$ 14,132
2007	226	1,685	\$ 21,420
2006	249	1,259	\$ 23,433
2005	283	1,705	\$ 18,950
2004	281	1,776	\$ 21,342



Shelby Energy
Cooperative

® Your Touchstone Energy® Partner 

**2008
Annual
Report**



**Power
Partners**
Completing
your energy
picture



Power Partners

In these uncertain economic times it pays to have a partner. And you need that partner to have good qualities: qualities like reliability, helpfulness, knowledge, experience, perspective, and practicality.

That's a lot to ask, but in the past year that's exactly what Shelby Energy Cooperative has been working hard to deliver to you.

Last summer's gasoline price roller coaster and last fall's collapse of the world credit markets forced all of us to reassess our financial plans. All of your co-op's actions this past year have been taken with the awareness that family and business budgets in our community are especially sensitive.

Shelby Energy is pleased to report sound business operations for the year 2008 and continuing into 2009. Your local electric co-op supports our community by making its top priority to provide each of its members with the best combination possible of reliability and affordability in electric service. Focusing on this goal builds a powerful partnership between you and your electric co-op.

This annual report provides the numbers showing Shelby Energy Co-op's financial soundness, and highlights the top activities that have helped make you and your electric co-op strong power partners.

Helpfulness

A key to controlling energy costs is making sure all of us are using electricity as efficiently as possible. Shelby Energy has a long track record of working with members on spending energy dollars in the most productive way.

Your co-op energy advisors are available to visit homes and businesses in our community, helping reduce energy waste and using the latest technology to put resources to their wisest uses.

We offer a number of other ways to keep energy costs as low and effective as possible, including home weatherization programs, and the use

of heat pumps and other equipment.

Shelby Energy has also led the way in promoting compact fluorescent light bulbs, one of the most high-profile ways to help people save on electricity costs. These new lights cost more than regular incandescent bulbs, but they use one-fourth the electricity to produce the same amount of light, and they last 10 times as long. That's a solution that can help the environment, and save you money. Your local co-op has been part of a 5-year-old statewide electric program to give away these "CFLs" at co-op annual meetings. Since 2003 we have distributed more than

8,000 CFLs to our member-owners. That program makes us part of the statewide effort that has distributed more than 570,000 CFLs, saving Kentuckians more than \$7 million just on lighting costs.

And Shelby Energy helps keep employees and members of the community safe and healthy with constant attention to safety. Through speeches, demonstrations, publications, and a variety of programs and projects, your electric co-op lets people know that electric safety needs to stay a top-of-the-mind issue.

On the Cover:

Shelby Energy Cooperative members and employees complete the picture of Power Partners working together to assure reliable and affordable electricity for our community. Shown here are Frank Stewart of Simpsonville, a member of Shelby Energy Co-op; Becky Jennings, customer service and billing representative for Shelby Energy Co-op; and Keith Miller, line supervisor with Shelby Energy Co-op. Photo: Tim Webb

Reliability

You want the lights to come on when you flip the switch.

Sounds simple, but it involves working with our power supplier to make sure there will be enough power generation and transmission lines today and into the future.

It means keeping electric distribution wires and poles in good condition.

It means having a crew of dedicated lineworkers to keep that hardware functioning day to day, and immediately after wind, ice, or snow storms.

And it means finding, developing, and using the latest electronic and systems management technology to reduce not just the number of power outages, but how long they last. Not so long ago, power outages of one or two seconds didn't concern many people. Today, interruptions of a fraction of a second can damage sensitive electronic equipment. Your co-op uses several techniques to meet these new requirements of its customer members.

Knowledge and Experience

Shelby Energy hires qualified employees, making sure they are kept up-to-date on the very best practices and techniques in their areas of expertise, from management, to accounting, to operations, to engineering, or any of the other disciplines needed to run a world-class business as important, complex, and cutting-edge as an electric utility.

Your co-op also draws on connections around the state and around the world, and back in time through the decades. For more than 70 years, your local electric co-op has been providing reliable, consumer-owned power for the people and businesses of our community. Over those decades, other electric co-ops around the state and nation have worked together to form strong organizations that provide high-level resources.

At the state level, Shelby Energy works with the Kentucky Association of Electric Cooperatives to coordinate employee training and safety programs. KAEC also represents your energy interests in

Frankfort, making sure that laws and regulations help keep your electricity reliable and affordable.

On an even larger scale, Shelby Energy draws on expertise from across the country and even the world, as a member of the National Rural Electric Cooperative Association. That national connection puts your co-op in the driver's seat in such high-level areas as financing for important power supply projects, watching out for your interests in Congress, and tapping scientific and engineering expertise in areas such as

the latest high-tech energy-efficiency research, and knowledge about such weighty environmental issues as global climate change.

Shelby Energy shares all that background with you, making sure you have the information you need through the regular co-op annual meeting, in the pages of *Kentucky Living* magazine, and on the Web site, www.shelbyenergy.com.

Your co-op's knowledge and experience provide you with a powerful partner for innovation and excellence in your electric service.

Perspective and Practicality

Shelby Energy Cooperative's unique business structure provides you with a stable, level-headed partner that stays focused on the top priority of making sure you will continue to have reliable and affordable electricity when you want it.

The local, member/consumer-owned, not-for-profit nature of your co-op knows what's best for the people in our community because it's made up of you and your neighbors.

Several years ago, when the Enron Corporation led the charge for so-called electricity deregulation, Kentucky electric co-ops resisted the pie-in-the-sky promises and successfully opposed it in the legislature. Now our state enjoys some of the lowest rates in the nation, while electricity rates skyrocket in deregulated states.

This year, when calls for drastic action on global warming sounded from Congress and the nation's media, Kentucky's electric co-ops chose to take the longer view. In the September issue of *Kentucky Living*, Shelby Energy urged its members to contact their elected officials in Washington, and simply ask them how they planned to keep your electricity reliable and affordable. Thousands of you responded with postcards or e-mails, and Kentucky senators and representatives heard your message: environmental concerns need to be balanced with energy realities. These issues raise extremely difficult questions, and public policy discussions will continue. As they develop, your co-op will keep you informed.

The deregulation and climate change issues provide just two examples of the kind of hometown wisdom that comes from local people owning the utility and operating it for service rather than for profit. It's another, and fundamental, way you and Shelby Energy Cooperative make perfect power partners.

Power Partner money-saving energy tips

Shelby Energy offers suggestions for you to save money by using electricity as efficiently as possible. Get in touch with your co-op for customized energy and money saving ideas for your home or business. In the meantime, here's a list of tips to reduce your energy costs throughout your house.

Bright idea

- Replace incandescent light bulbs with compact fluorescent bulbs.

Take temperatures

- Set your thermostat at 78 degrees in the summer and 68 degrees in the winter.
- Set the thermostat in your refrigerator at 35 to 40 degrees F. Set the freezer at 0 to 5 degrees F.
- Set the thermostat on your water heater at 115 degrees F.

Keep the outside out

- Insulation is key. Especially check for proper insulation in your attic, outside walls, and floors above unheated spaces, like

basements. The energy experts at your local electric cooperative can tell you exactly how much insulation all these areas require.

- Replace old, single-pane windows with new, energy-efficient double-pane windows.
- Install storm doors and windows. If you cannot afford storm windows, use plastic sheeting to act as temporary storm windows.
- Seal cracks around window frames and door jambs with caulk.
- Install weatherstripping around windows and doors.

A warm coat

- Insulate your water heater with a water heater blanket if located in an unconditioned area such as a garage or basement.

Tune it up

- Change or clean the filter(s) on your forced-air heating and cooling system monthly.
- Check ductwork to ensure it's properly insulated and that there are no air leaks or gaps.

Your Board of Directors



Debbie Martin
President and CEO



George N. Busey
Chairman



Ashley Chilton
Vice Chairman



Roger G. Taylor Jr.
Secretary-Treasurer



Joe Butler



Randy Stevens



R. Wayne Stratton



Donald T. Prather
Attorney

Official Business
Meeting Agenda

ANNUAL MEETING OF MEMBERS

**SHELBY ENERGY
COOPERATIVE**

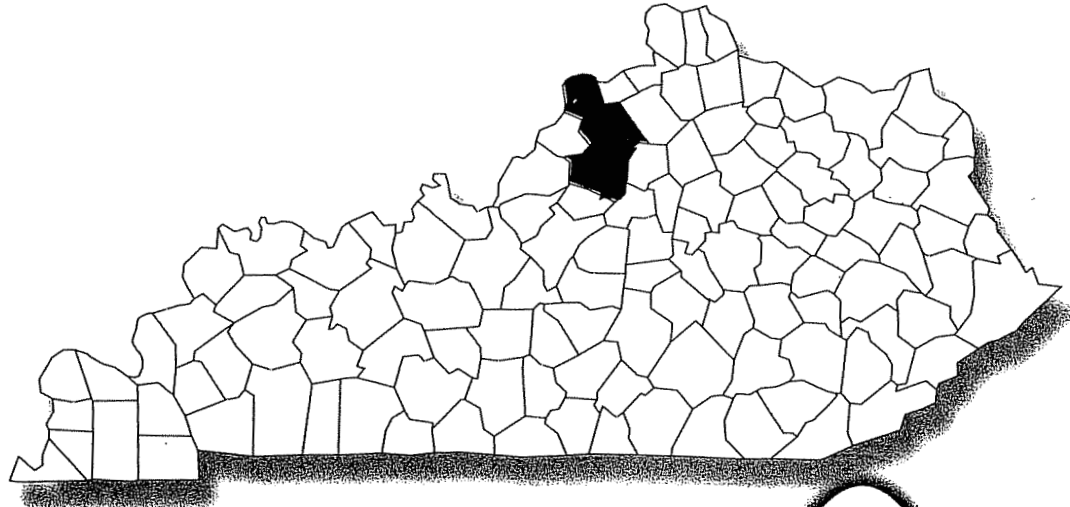
WHERE:
Henry County High School

WHEN:
Thursday, June 25
Registration Time: **4:30 P.M.**
Business Meeting Time: **6:30 P.M.**

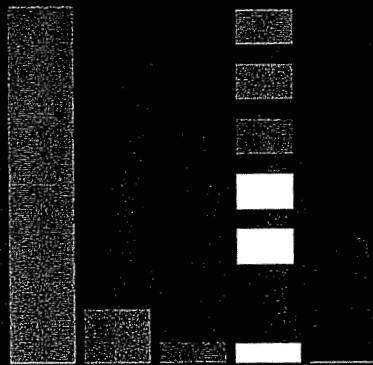
The annual membership meeting of this co-op organizes to take action on the following matters:

1. Report on the number of members present in person or by valid proxy in order to determine the existence of a quorum
 2. Reading of the notice of the meeting and proof of due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be
 3. Reading of unapproved meeting of the previous meeting of the members and the taking of necessary action thereon
 4. Presentation and consideration of reports of officers, trustees, and committees
 5. Report on the election of board members
- District I** **George N. Busey**
District III **Randy Stevens**
6. Unfinished business
 7. New business
 8. Adjournment

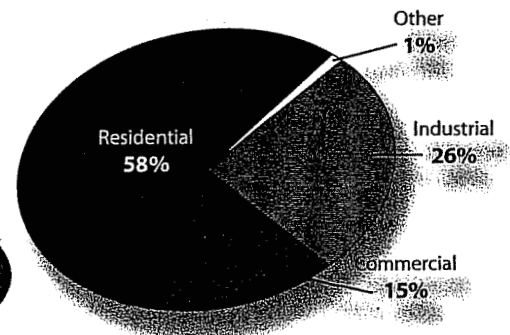
Statistical Results



Major Costs



Revenue Sources



MEMBERS SERVED IN 2008

Anderson.....	6
Carroll.....	641
Franklin.....	6
Henry.....	3,226
Jefferson.....	9
Oldham.....	44
Owen.....	71
Shelby.....	5,434
Spencer.....	37
Trimble.....	2,580
Total.....	12,054

ACCOUNTS BILLED

2008.....	15,283
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AVERAGE KILOWATT-HOUR USE

(Residential per month)

2008.....	1,292
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MILES OF LINE

2008.....	2,078
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CONSUMERS PER MILE

2008.....	7.38
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Financial Results

STATEMENT OF OPERATIONS

For the Year Ending December 31, 2008

Operating Revenue.....	\$36,715,091
Operating Expense	
Purchased Power.....	\$29,125,693
Operating System.....	4,484,806
Depreciation.....	1,793,305
Interest on Loans.....	1,669,016
Other Deductions.....	70,718
Total Cost of Electric Service	
.....	\$37,143,538
Patronage Capital	
and Operating Margins.....	(428,447)
Non-Operating Margins.....	70,268
Capital Credits Assigned	
From Other Co-ops	448,418
Patronage Capital	
and Margins.....	90,239

BALANCE SHEET

For the Year Ending December 31, 2008

ASSETS

Total Utility Plant.....	\$62,537,689
Less Depreciation.....	10,458,392
Net Utility Plant Book Value.....	\$52,079,297
Non-Utility Property	
and Other Investments.....	7,773,868
Investment in	
Shelby Energy Services.....	\$703,922
Cash and Reserves.....	2,022,188
Owed to Co-op on	
Accounts and Notes.....	4,449,508
Material in Inventory.....	289,486
Deferred Debits	
and Other Assets.....	109,361
Total Assets.....	\$67,427,630

LIABILITIES

Consumer Deposits.....	378,395
Membership	
and Other Equities.....	25,133,422
Long-Term Debt.....	35,080,075
Notes and Accounts Payable.....	3,765,403
Other Current	
and Accrued Liabilities.....	308,229
Other Noncurrent Liabilities.....	1,857,970
Deferred Credits	
and Miscellaneous.....	904,136
Total Liabilities.....	\$67,427,630

2009 Annual Meeting

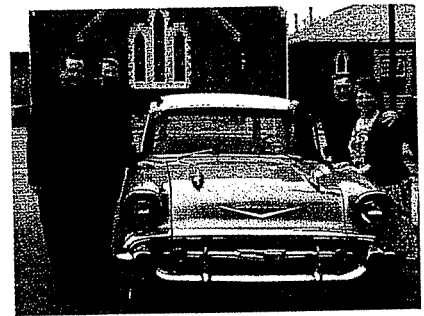
Thursday, June 25

Henry County High School

New Castle, KY

Registration: 4:30 p.m.

Business meeting: 6:30 p.m.




**Featured Entertainment
The Garry Polston
Family**



**Caricaturist
Denny Whalen**



**Shelby Energy
Cooperative**

® Your Touchstone Energy® Partner 

- **door/cash prizes**
- **entertainment**
- **health screenings**
- **caricaturist**
- **food bucks**
- **safety demonstrations**




**Free!
Energy-
saving
lightbulbs**


for members who
attend!

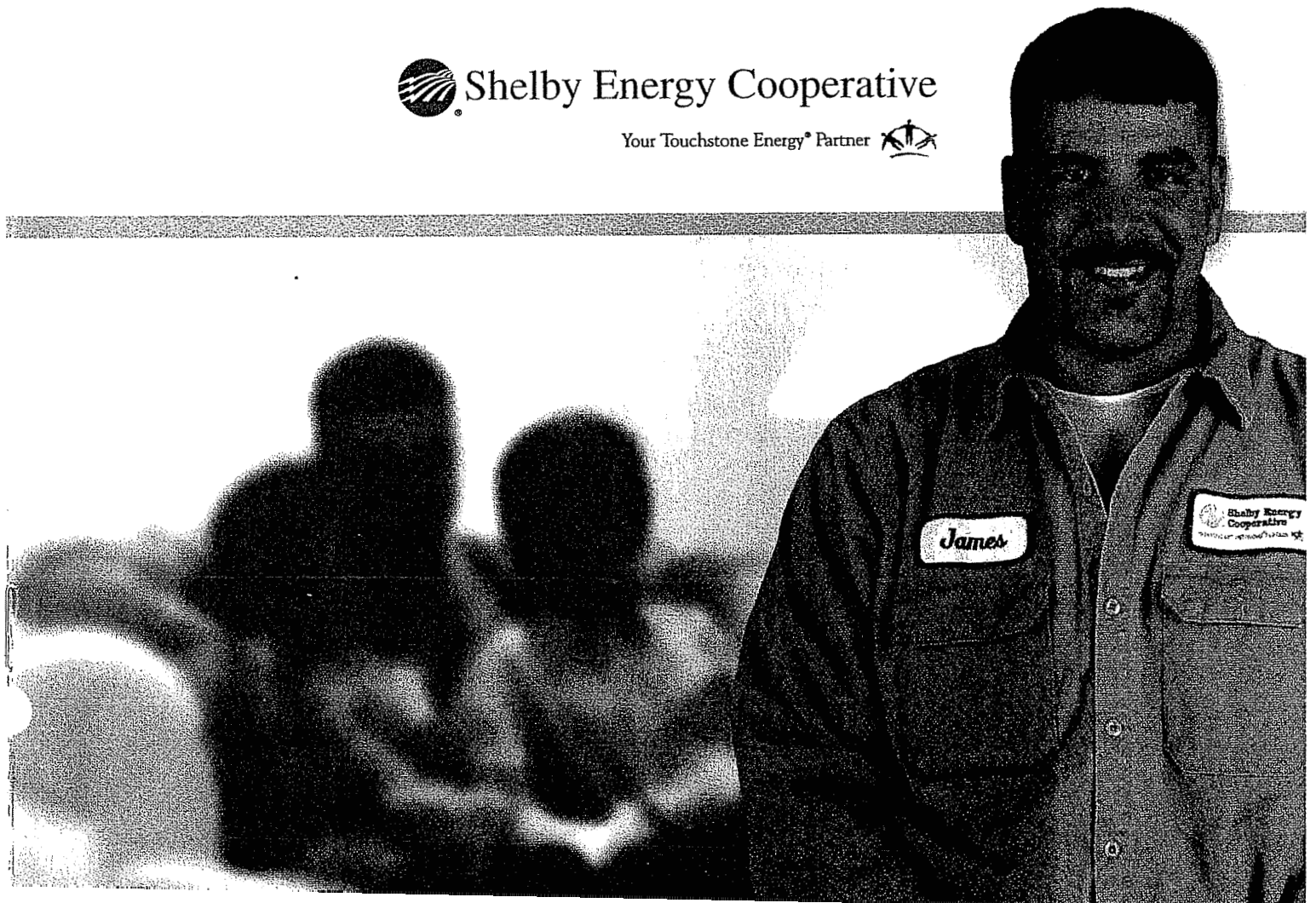


CO-OP RELIABILITY

THE 2007 ANNUAL REPORT OF SHELBY ENERGY

 Shelby Energy Cooperative

Your Touchstone Energy® Partner 



CO-OP RELIABILITY

A MESSAGE FROM YOUR CEO & BOARD CHAIR

The word reliability has a couple different meanings at Shelby Energy Cooperative.

It means keeping your electricity on.

That might call for sending a crew of lineworkers out in a thunderstorm or blizzard in the middle of the night to repair downed wires as quickly as possible. Or working on ways to avoid power interruptions of even a few milliseconds, to protect the newest, modern electronics used in homes and businesses today.

It also requires looking into the future, by building the power plants and transmission lines that will be needed to ensure you'll have all the electricity you want 20 and 30 years from now.

A less technical definition of reliability refers to someone you can count on in all sorts of situations. In other words, a good neighbor.

Shelby Energy strives to meet that meaning of a helpful, well-informed energy neighbor as well.

We can offer expert advice on how to use energy efficiently. As a local, member-owned cooperative, Shelby Energy stays involved in a wide range of community support activities. From education scholarships, to membership in charitable organizations, to economic development, Shelby Energy takes pride in its role of helping improve our quality of life.

We're pleased to provide you with this annual report on another successful year for Shelby Energy Cooperative. In describing the activities and results of 2007, it makes sense to view it as a year of continued reliability.

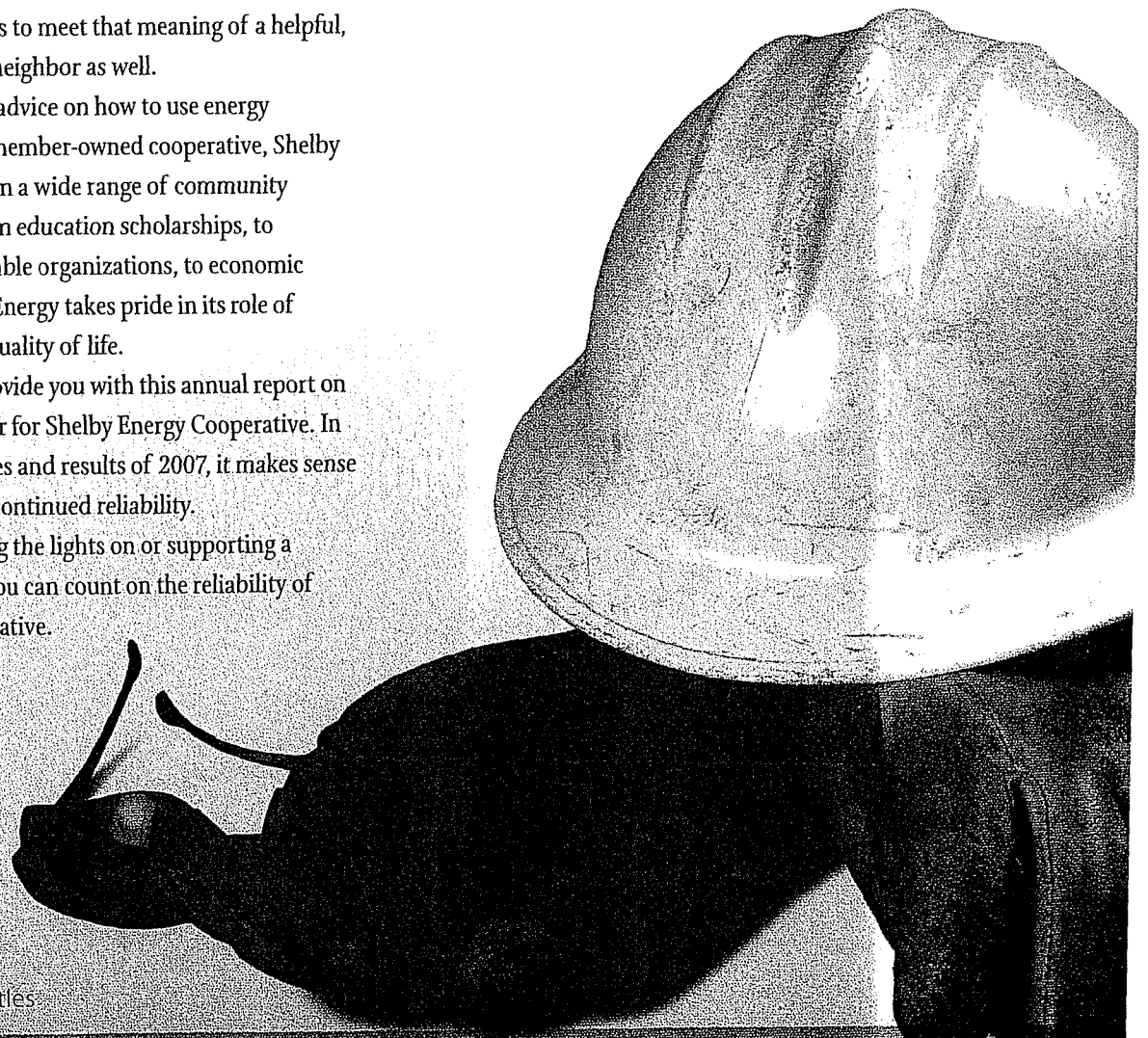
Whether it's keeping the lights on or supporting a community activity, you can count on the reliability of Shelby Energy Cooperative.



Debbie Martin, President & CEO
George Busey, Chair, Board of Directors

On the cover:

Helping keep your electricity safe and reliable are Shelby Energy Co-op line technician crew leader Chip Wheeler (top) and James Crume, apprentice lineman.



Photos by: Jim Battles

RELIABLE ELECTRICITY

In 2007, the average member of your cooperative had electricity 99.9789 percent of the time.

That many decimal places make that number hard to imagine. What it adds up to is that electricity flowed to area homes and businesses pretty much all the time. Shelby Energy takes enormous pride in that record of reliability.

And even that incredible record is improving.

In 2007, Shelby Energy took steps to further reduce outage time.

Co-op work focused on quick response to storm outages last year. And it continued right-of-way vegetation clearing programs to keep tree limbs and other brush from interfering with power lines.

But these days, some of the most significant improvements in the delivery of electricity to you comes in high-technology ways we could hardly have imagined even 10 years ago.

Electric distribution systems have been designed so that, to some extent, they can repair themselves after routine disturbances. For example, when a bird or squirrel comes in contact with a bare wire, electronic switches sense the disturbance and respond in milliseconds.

You wouldn't even notice that if you were reading a book under your living room lamps.

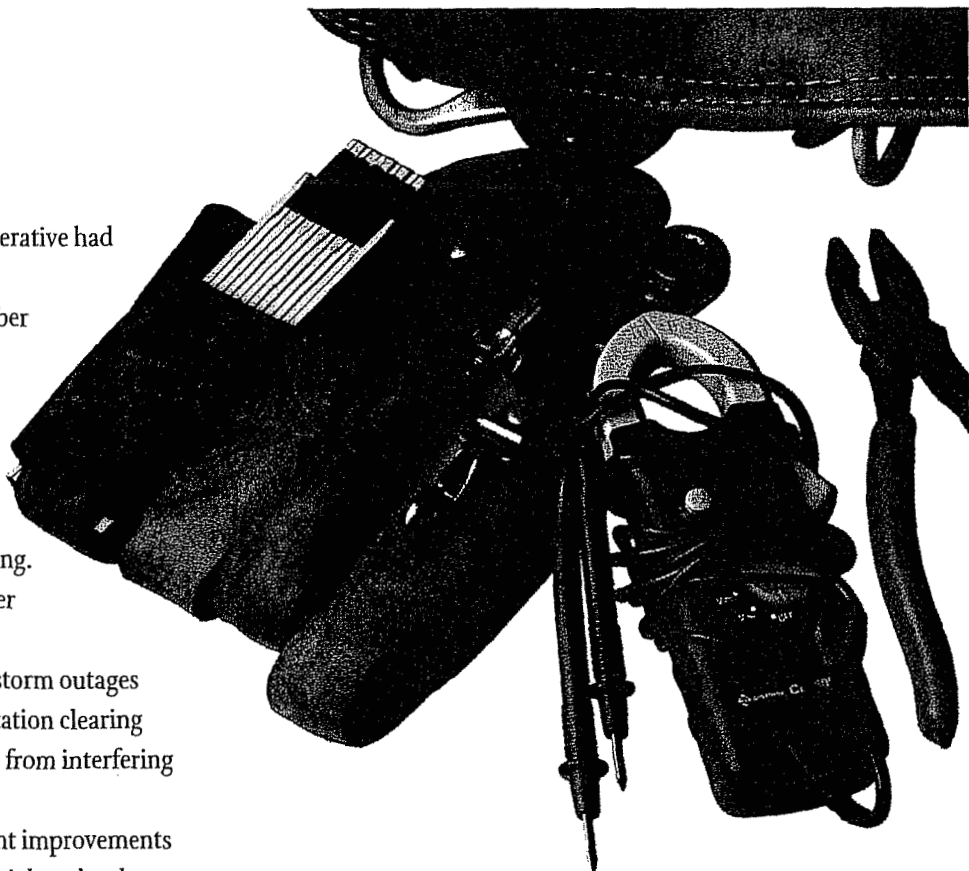
If you were typing on your computer, however, that fraction of a second could cost you an hour of work, as it quickly shut down then rebooted. That's in addition to the irritation of having to reset the flashing digital clocks in the house.

Shelby Energy recognizes that these high-tech realities raise the standards of reliability. Part of Shelby's work plan has been to find ways of reducing outages that last even a fraction of a second.

To avoid interference from animals, we've added barriers in critical areas. Transformers are being redesigned and even poles reconfigured, to reduce the chances for even brief outages.

For especially precise and critical power needs that can't risk any length of outage, Shelby Energy works with home and business owners on different ways to protect their sensitive appliances and equipment.

As technology gets more sophisticated, so does Shelby Energy, raising the standards for reliable electricity.



RELIABLE VALUE

Costs are rising in many industries, especially in the energy business or any endeavor that relies on oil, which has seen huge cost increases in the past year.

Shelby Energy has been affected by these cost increases as well. Shelby Energy makes every effort to keep its business operations effective and efficient, to provide you the most affordable and reliable electric service, at the lowest possible cost. As you know, there are times when cost increases must be passed along to the members, to make sure the co-op operates from a sound financial position.

You can rely on us to keep cost increases to the bare minimum required to maintain the high value of electric service you rely on.

Shelby Energy also works to make sure you can depend on that value of electricity for years to come. Demand for electricity is growing at a rate faster than new power plants are being built. The new power plants that will be required will be expensive. You can rely on Shelby Energy being on the job to make sure new electricity generation in the coming years will be as economical as possible.

ENVIRONMENTALLY RELIABLE

One of the biggest energy stories in the news during the past year has been concerns about emissions of greenhouse gases being blamed for global warming.

Shelby Energy brings special expertise to this large and complex energy and environmental issue. We participate in national organizations of scientists, engineers, and policy experts who pay special attention to climate change. They're working on several advanced, highly complex techniques and technologies that could actually reduce the amount of greenhouse gases being emitted in this country over the next 20 years.

One of those greenhouse gas reduction plans is not complicated at all, and all of us can do it in our homes and businesses. It's called using energy efficiently.

Energy efficiency has so much potential to be an important part of our energy future that experts have called it "the fifth fuel," in addition to the coal, natural gas, nuclear, and hydroelectric power supplying nearly all of our electricity.

Shelby Energy has a long history of working with its members to help them make the best use of their electric energy. We offer a number of programs that members use regularly, to reduce energy inefficiencies around the home and business.

One solution that combines efficiency and technology is the use of compact fluorescent bulbs. These new lights cost more than regular incandescent bulbs, but they use one-fourth the electricity to produce the same amount of light, and they last 10 times as long. That's a solution that can help the environment, and save you money. For those reasons, Shelby Energy Cooperative has been promoting compact fluorescent bulbs for years. In fact, since 2003 we have handed out nearly 5,000 free compact fluorescent bulbs to members attending the Shelby Energy Cooperative annual meeting. That promotion is part of a coordinated effort by electric co-ops all across Kentucky. In the past four years, Kentucky electric co-ops have distributed more than 400,000 compact fluorescent light bulbs, saving Kentuckians more than \$4 million, and reducing carbon dioxide emissions by more than 78,000 tons.

Environmental and energy concerns are one of the most important and pressing concerns of the day. Shelby Energy Cooperative is providing its members with reliable advice for analyzing and acting on the best course for our energy future.

A RELIABLE NEIGHBOR

As a local, member-owned utility, Shelby Energy Cooperative values its role in our community.

Our schools are among the most important foundations of the community, and we support their educational efforts in a number of ways. From electric safety demonstrations in classrooms, to participation in scholarship programs, to statewide involvement in college and university projects, Shelby Energy can be counted on to act on its commitment to education.

Shelby Energy is also actively involved in improving our local quality of life by being a part of our local economic development activities, working to enhance jobs and income in our community. Employees of Shelby Energy are active in boards, clubs, and civic groups all around the service territory.

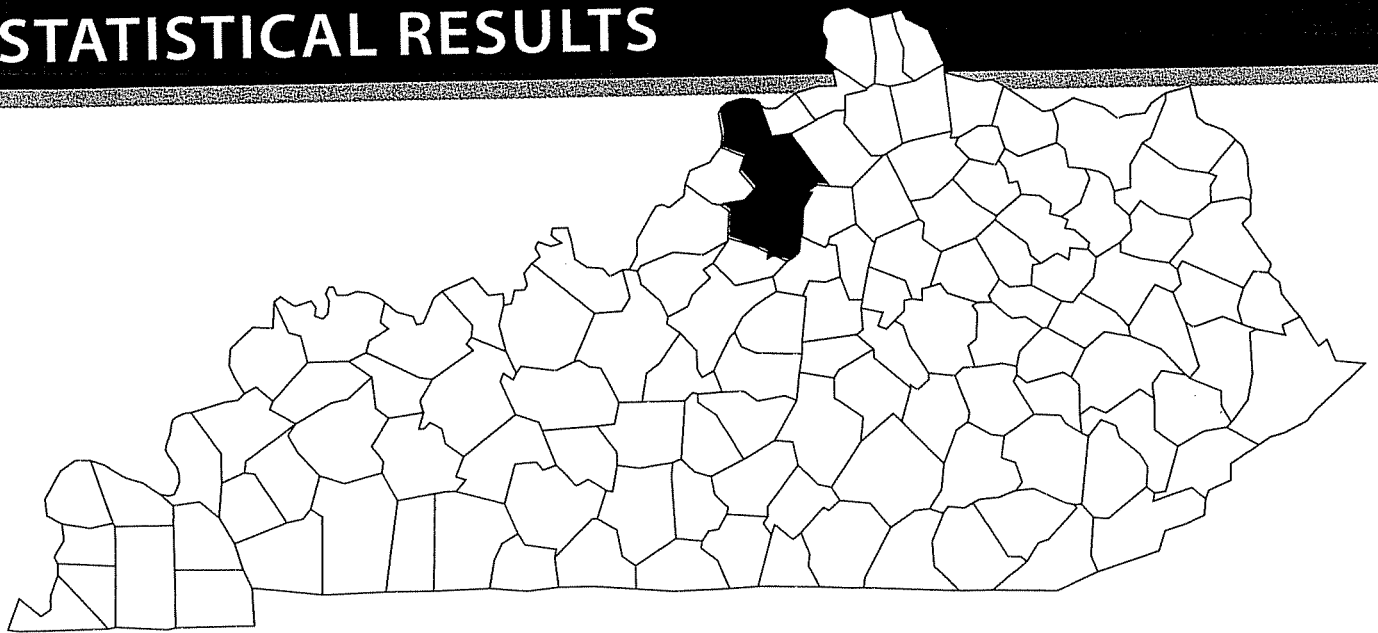
One of the most visible ways this reliability can be seen is with Shelby Energy's annual meeting every summer. This meeting provides a rallying point for the progress and recognition of co-op and community activities. The important business of the co-op is conducted at this meeting, including reports on the co-op's financial position and board elections. It's also a fun event where families can come and spend time among their neighbors.

So whether it's an annual community business meeting or dependable electricity today and into the future, you can count on Shelby Energy. That's co-op reliability.

Shelby Energy promotes the use of compact fluorescent light bulbs because they use energy more efficiently, producing the same amount of light with one-fourth of the electricity compared with a regular incandescent bulb, and they last 10 times as long.



STATISTICAL RESULTS



Members Served in 2007

Anderson.....	7
Carroll	787
Franklin.....	7
Henry.....	4,056
Jefferson.....	11
Oldham.....	50
Owen.....	87
Shelby.....	6,695
Spencer.....	47
Trimble.....	3,207
Total.....	14,954

Accounts Billed

2007..... 14,954

Average Kilowatt-hour use (Residential per month)

2007..... 1,179

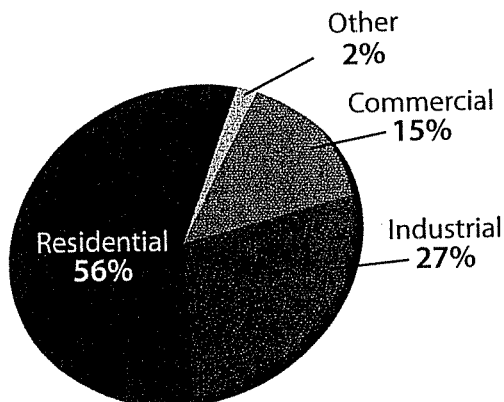
Miles of Line

2007..... 2,050

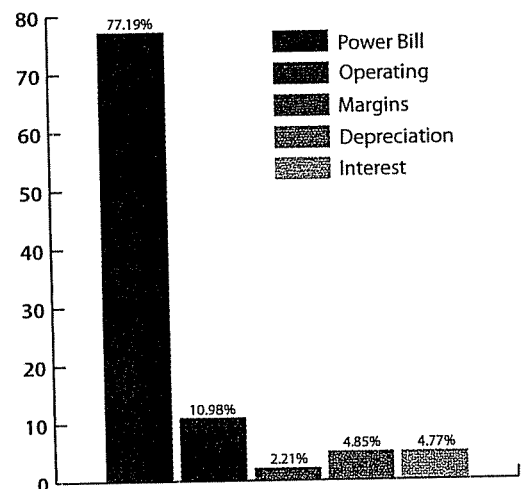
Consumers per Mile

2007..... 7.3

REVENUE SOURCES



MAJOR COSTS



FINANCIAL RESULTS

Statement of Operations

For the Year Ending December 31, 2007

Operating Revenue & Patronage Capital	\$35,483,826
Operating Expense	
Purchased Power	\$27,337,041
Operating System	3,887,873
Depreciation	1,717,103
Interest on Loans	1,690,546
Other Deductions	69,115
Total Cost of Electric Service.....	\$34,701,678
Patronage Capital & Operating Margins	782,148
Non-Operating Margins	245,501
Capital Credits assigned from other Cooperatives ...	62,993
Patronage Capital and Margins	1,090,642

Balance Sheet

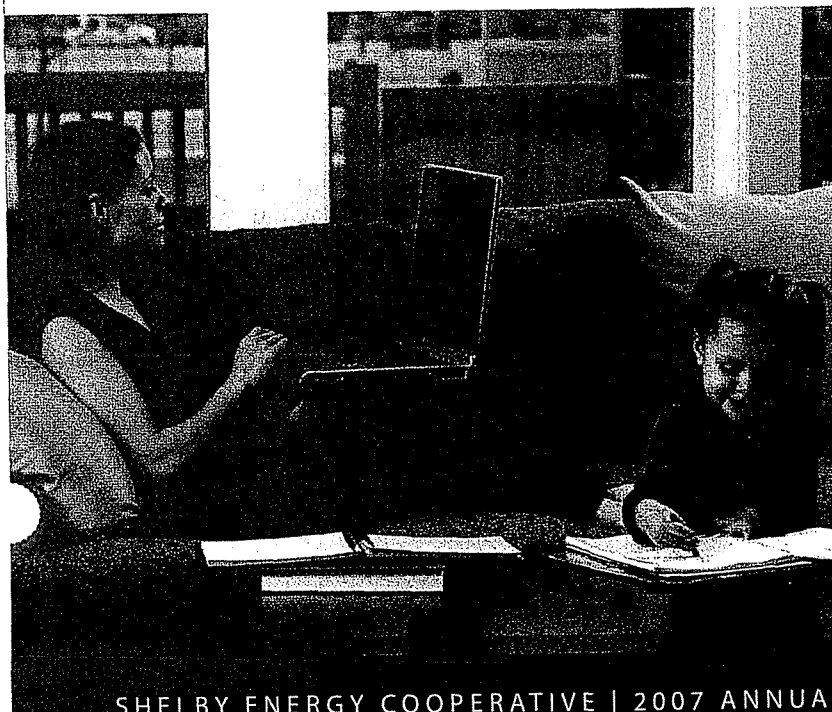
For the Year Ending December 31, 2007

Assets

Total Utility Plant	\$60,203,558
Less Depreciation	9,210,103
Net Utility Plant Book Value	\$50,993,455
Non-Utility Property & Other Investments	\$7,315,573
Investments in Shelby Energy Services.....	775,824
Cash and Reserves	1,507,264
Owed to Co-op on Accounts and Notes.....	4,267,360
Material in Inventory.....	407,186
Deferred Debits and Other Assets	106,846
Total Assets	\$65,373,508

Liabilities

Consumer Deposits	385,380
Membership and Other Equities	25,322,775
Long-Term Debt	34,142,444
Notes and Accounts Payable.....	2,462,934
Other Current and Accrued Liabilities	302,021
Other Non-Current Liabilities	1,835,780
Deferred Credits and Miscellaneous.....	922,174
Total Liabilities.....	\$65,373,508



Whether it's keeping the lights on or supporting a community meeting, you can count on the reliability of Shelby Energy Cooperative.

Official Business Meeting Agenda

ANNUAL MEETING OF MEMBERS

Shelby Energy Cooperative

WhereBedford Elementary School

WhenThursday, June 26

Registration Time4:30 p.m.

Meeting Time.....6:30 p.m.

The annual membership meeting of this co-op organizes to take action on the following matters:

1. Report on the number of members present in person or by valid proxy in order to determine the existence of a quorum
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be
3. Reading of unapproved minutes of the previous meeting of the members and the taking of necessary action thereon
4. Presentation and consideration of reports of officers, trustees, and committees
5. Report on the election of board members
6. Unfinished business
7. New business
8. Adjournment

YOUR BOARD OF DIRECTORS



Debbie Martin
President and CEO



George N. Busey
Chairman



Ashley Chilton
Vice Chairman



Roger G. Taylor Jr.
Secretary-Treasurer



Joe Butler



Reginald W. Rand Jr.



R. Wayne Stratton



Donald T. Prather
Attorney

2008 ANNUAL MEETING

THURSDAY, JUNE 26

Bedford Elementary School
Bedford, KY

Registration:

4:30 p.m.

Business meeting:

6:30 p.m.



FREE!

Energy-saving lightbulbs
for members who attend!





FEATURED
ENTERTAINMENT
INFINITE REALM



CARICATURIST
DENNY WHALEN

free health screenings • food • prizes • caricatures • safety demos

 Shelby Energy Cooperative

Your Touchstone Energy® Partner 



USDA-RUS FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION			
	KY0030			
	PERIOD ENDED			
08/2008				

Part A. Statement of Operations

ITEM	Year-to-Date	Year-to-Date	Year-to-Date	This Month
	Last Year	This Year	Budget	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital	23,535,853	24,481,433	24,539,003	3,078,378
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	18,444,226	19,374,676	18,865,737	2,396,106
4. Transmission Expense	0	0	0	0
5. Distribution Expense - Operation	730,288	869,958	772,603	84,099
6. Distribution Expense - Maintenance	834,977	1,026,911	963,798	133,161
7. Customer Accounts Expense	507,048	481,980	523,673	63,896
8. Customer Service and Informational Expense	88,767	85,109	94,126	11,024
9. Sales Expense	3,622	2,335	20,272	259
10. Administrative and General Expense	448,080	548,745	484,879	83,391
11. Total Operation & Maintenance Expense (2 thru 10)	21,057,008	22,389,714	21,725,088	2,771,935
12. Depreciation and Amortization Expense	1,135,520	1,188,340	1,191,880	150,173
13. Tax Expense - Property & Gross Receipts	0	0	0	0
14. Tax Expense - Other	21,160	23,072	22,856	2,884
15. Interest on Long-Term Debt	1,132,540	1,111,506	1,153,844	130,053
16. Interest Charged to Construction - Credit	0	0	0	0
17. Interest Expense - Other	14,257	20,235	14,971	1,882
18. Other Deductions	9,914	1,794	840	653
19. Total Cost of Electric Service (11 thru 18)	23,370,400	24,734,660	24,109,479	3,057,581
20. Patronage Capital & Operating Margins (1 minus 19)	165,454	(253,227)	429,524	20,797
21. Non Operating Margins - Interest	162,666	56,496	190,916	6,909
22. Allowance for Funds Used During Construction	0	0	0	0
23. Income (Loss) from Equity Investments	0	0	1,525	0
24. Non Operating Margins - Other	26,630	64,044	(3,071)	(373)
25. Generation and Transmission Capital Credits	0	0	0	0
26. Other Capital Credits and Patronage Dividends	4,994	31,487	5,034	0
27. Extraordinary Items	0	0	0	0
28. Patronage Capital or Margins (20 thru 27)	359,744	(101,200)	623,928	27,334

Part B. Data on Transmission and Distribution Plant

ITEM	Year-to-Date	Year-to-Date
	Last Year	This Year
	(a)	(b)
1. New Services Connected	249	158
2. Services Retired	25	19
3. Total Services in Place	16,976	17,198
4. Idle Services (Exclude Seasonals)	1,912	1,969
5. Miles Transmission	0.00	0.00
6. Miles Distribution - Overhead	1,868.07	1,877.12
7. Miles Distribution - Underground	186.69	194.85
8. Total Miles Energized (5+6+7)	2,054.76	2,071.97

USDA-RUS FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION	
		KY0030	
		PERIOD ENDED	
		08/2008	
Part C. Balance Sheet			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	61,745,580	29. Memberships	0
2. Consturction Work in Progress	205,221	30. Patronage Capital	24,061,406
3. Total Utility Plant (1+2)	61,950,802	31. Operating Margins - Prior Years	93,068
4. Accum. Provision for Depreciation and Amort.	10,027,383	32. Operating Margins - Current Years	-221,740
5. Net Utility Plant (3-4)	51,923,419	33. Non-Operating Margins	832,121
6. Non-Utility Property (Net)	0	34. Other Margins and Equities	436,902
7. Investments in Subsidiary Companies	775,824	35. Total Margins & Equities (29 thru 34)	25,201,757
8. Invest. In Assoc. Org. - Patronage Capital	6,569,722	36. Long-Term Debt - RUS (NET)	14,569,220
9. Invest. In Assoc. Org. - Other - General Funds	0	(Payments - Unapplied)	0
10. Invest In Assoc. Org. - Other - Nongeneral Funds	703,922	37. Long-Term Debt - RUS - Econ. Devl. (Net)	0
11. Investments in Economic Development Projects	197,000	38. Long-Term Debt - FFB - RUS Guaranteed	15,936,082
12. Other Investments	62,100	39. Long-Term Debt - Other - RUS Guaranteed	0
13. Special Funds	0	40. Long-Term Debt Other (Net)	3,946,000
14. Total Other Property & Investments (6 thru 13)	8,308,569	41. Total Long-Term Debt (36 thru 40)	34,451,302
15. Cash - General Funds	1,553,939	42. Obligations Under Capital Leases - Noncurrent	0
16. Cash - Construction Funds - Trustee	0	43. Accumulated Operating Provisions and Asset	
17. Special Deposits	425	Retirement Obligations	1,866,098
18. Temporary Investments	478,067	44. Total Other Noncurrent Liabilities (42+43)	1,866,098
1. Notes Receivable (Net)	0	45. Notes Payable	0
20. Accounts Receivable - Sales of Energy (Net)	3,134,336	46. Accounts Payable	2,560,343
21. Accounts Receivable - Other (Net)	171,938	47. Consumers Deposits	382,580
22. Materials and Supplies - Electric & Other	333,614	48. Current Maturities Long-Term Debt	0
23. Prepayments	58,972	49. Current Maturities Long-Term Debt-Economic	
24. Other Current and Accrued Assets	11,774	Development	0
25. Total Current and Accrued Assets (15 thru 24)	5,743,064	50. Current Maturities Capital Leases	0
26. Regulatory Assets	0	51. Other Current and Accrued Liabilities	605,845
27. Other Deferred Debits	0	52. Total Current & Accrued Liabilities (45 thru 51)	3,548,768
28. Total Assets and Other Debits (5+14+25+ thru 27)	65,975,052	53. Regulatory Liabilities	0
		54. Other Deferred Credits	907,127
		55. Total Liabilities and Other Credits (35+41+44+52 thru 54)	65,975,052

USDA-RUS FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION KY0030			
		PERIOD ENDED 08/2008			
Part A. Statement of Operations					
ITEM	Year-to-Date Last Year (a)	Year-to-Date This Year (b)	Year-to-Date Budget (c)	This Month (d)	
1.	Operating Revenue and Patronage Capital	26,412,616	27,493,358	27,754,357	3,011,925
2.	Power Production Expense	0	0	0	0
3.	Cost of Purchased Power	20,939,836	21,646,535	21,418,380	2,271,859
4.	Transmission Expense	0	0	0	0
5.	Distribution Expense - Operation	828,440	962,342	873,737	92,385
6.	Distribution Expense - Maintenance	913,021	1,237,288	1,057,818	210,377
7.	Customer Accounts Expense	573,545	541,043	592,903	59,063
8.	Customer Service and Informational Expense	101,279	95,678	112,201	10,568
9.	Sales Expense	2,777	2,404	4,229	69
10.	Administrative and General Expense	493,413	623,548	547,094	74,803
11.	Total Operation & Maintenance Expense (2 thru 10)	23,852,311	25,108,838	24,606,362	2,719,124
12.	Depreciation and Amortization Expense	1,280,313	1,338,850	1,343,860	150,510
13.	Tax Expense - Property & Gross Receipts	0	0	0	0
14.	Tax Expense - Other	23,805	25,956	25,713	2,884
15.	Interest on Long-Term Debt	1,271,516	1,259,506	1,295,833	148,000
16.	Interest Charged to Construction - Credit	0	0	0	0
17.	Interest Expense - Other	16,058	22,075	16,862	1,840
18.	Other Deductions	11,620	3,329	984	1,535
19.	Total Cost of Electric Service (11 thru 18)	26,455,624	27,758,554	27,289,614	3,023,894
20.	Patronage Capital & Operating Margins (1 minus 19)	(43,008)	(265,195)	464,743	(11,969)
21.	Non Operating Margins - Interest	179,138	62,314	210,249	5,819
22.	Allowance for Funds Used During Construction	0	0	0	0
23.	Income (Loss) from Equity Investments	0	0	1,525	0
24.	Non Operating Margins - Other	26,245	63,702	(3,439)	(342)
25.	Generation and Transmission Capital Credits	0	0	0	0
26.	Other Capital Credits and Patronage Dividends	62,993	68,321	63,500	36,834
27.	Extraordinary Items	0	0	0	0
28.	Patronage Capital or Margins (20 thru 27)	225,369	(70,858)	736,578	30,341
Part B. Data on Transmission and Distribution Plant					
ITEM	Year-to-Date Last Year (a)	Year-to-Date This Year (b)			
1.	New Services Connected	275	178		
2.	Services Retired	25	19		
3.	Total Services in Place	17,002	17,218		
4.	Idle Services (Exclude Seasonals)	1,904	1,971		
5.	Miles Transmission	0.00	0.00		
6.	Miles Distribution - Overhead	1,873.13	1,877.75		
7.	Miles Distribution - Underground	188.54	195.24		
8.	Total Miles Energized (5+6+7)	2,061.67	2,072.99		

USDA-RUS FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION
	KY0030
	PERIOD ENDED
	08/2008

Part C. Balance Sheet			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	61,881,507	29. Memberships	0
2. Consturction Work in Progress	294,021	30. Patronage Capital	24,054,980
3. Total Utility Plant (1+2)	62,175,528	31. Operating Margins - Prior Years	93,068
4. Accum. Provision for Depreciation and Amort.	10,168,906	32. Operating Margins - Current Years	-196,875
5. Net Utility Plant (3-4)	52,006,623	33. Non-Operating Margins	837,597
6. Non-Utility Property (Net)	0	34. Other Margins and Equities	438,623
7. Investments in Subsidiary Companies	775,824	35. Total Margins & Equities (29 thru 34)	25,227,393
8. Invest. In Assoc. Org. - Patronage Capital	6,599,189	36. Long-Term Debt - RUS (NET)	14,540,376
9. Invest. In Assoc. Org. - Other - General Funds	0	(Payments - Unapplied)	0
10. Invest. In Assoc. Org - Other - Nongeneral Funds	703,922	37 Long-Term Debt - RUS - Econ. Devel. (Net)	0
11. Investments in Economic Development Projects	191,000	38. Long-Term Debt - FFB - RUS Guaranteed	15,861,648
12. Other Investments	62,100	39. Long-Term Debt - Other - RUS Guaranteed	0
13. Special Funds	0	40. Long-Term Debt Other (Net)	3,946,000
14. Total Other Property & Investments (6 thru 13)	8,332,036	41. Total Long-Term Debt (36 thru 40)	34,348,025
15. Cash - General Funds	1,229,744	42. Obligations Under Capital Leases - Noncurrent	0
16. Cash - Construction Funds - Trustee	0	43. Accumulated Operating Provisions and Asset	
17. Special Deposits	425	Retirement Obligations	1,871,674
18. Temporary Investments	544,928	44. Total Other Noncurrent Liabilities (42+43)	1,871,674
9. Notes Receivable (Net)	0	45. Notes Payable	0
20 Accounts Receivable - Sales of Energy (Net)	3,067,258	46. Accounts Payable	2,478,041
21. Accounts Receivable - Other (Net)	195,872	47. Consumers Deposits	381,380
22. Materials and Supplies - Electric & Other	347,530	48. Current Maturities Long-Term Debt	0
23. Prepayments	47,183	49. Current Maturities Long-Term Debt-Economic	
24. Other Current and Accrued Assets	14,083	Development	0
25. Total Current and Accrued Assets (15 thru 24)	5,447,021	50. Current Maturities Capital Leases	0
26. Regulatory Assets	0	51. Other Current and Accrued Liabilities	570,556
27. Other Deferred Debits	0	52. Total Current & Accrued Liabilities (45 thru 51)	3,429,976
28. Total Assets and Other Debits (5+14+25+ thru 27)	65,785,680	53. Regulatory Liabilities	0
		54. Other Deferred Credits	908,613
		55 Total Liabilities and Other Credits (35+41+44+52 thru 54)	65,785,680

USDA-RUS FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION
	KY0030
	PERIOD ENDED
	10/2008

Part A. Statement of Operations

ITEM	Year-to-Date	Year-to-Date	Year-to-Date	This Month
	Last Year	This Year	Budget	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital	28,664,659	29,930,318	30,291,330	2,436,959
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	22,988,186	23,840,875	23,513,541	2,194,340
4. Transmission Expense	0	0	0	0
5. Distribution Expense - Operation	913,676	1,062,168	974,337	99,826
6. Distribution Expense - Maintenance	996,600	1,396,293	1,158,280	159,005
7. Customer Accounts Expense	639,897	600,401	663,625	59,358
8. Customer Service and Informational Expense	113,903	106,808	126,348	11,130
9. Sales Expense	4,173	3,448	7,162	1,044
10. Administrative and General Expense	543,184	736,379	594,177	112,831
11. Total Operation & Maintenance Expense (2 thru 10)	26,199,618	27,746,372	27,037,470	2,637,534
12. Depreciation and Amortization Expense	1,425,545	1,489,871	1,496,300	151,021
13. Tax Expense - Property & Gross Receipts	0	0	0	0
14. Tax Expense - Other	26,450	28,840	28,570	2,884
15. Interest on Long-Term Debt	1,417,866	1,403,206	1,444,944	143,700
16. Interest Charged to Construction - Credit	0	0	0	0
17. Interest Expense - Other	17,923	23,983	18,821	1,908
18. Other Deductions	11,664	3,700	988	371
19. Total Cost of Electric Service (11 thru 18)	29,099,066	30,695,972	30,027,093	2,937,419
20. Patronage Capital & Operating Margins (1 minus 19)	(434,407)	(765,655)	264,237	(500,460)
21. Non Operating Margins - Interest	194,958	68,163	228,816	5,849
22. Allowance for Funds Used During Construction	0	0	0	0
23. Income (Loss) from Equity Investments	0	0	1,525	0
24. Non Operating Margins - Other	25,870	63,116	(3,796)	(586)
25. Generation and Transmission Capital Credits	0	0	0	0
26. Other Capital Credits and Patronage Dividends	62,993	68,321	63,500	0
27. Extraordinary Items	0	0	0	0
28. Patronage Capital or Margins (20 thru 27)	(150,585)	(566,055)	554,282	(495,196)

Part B. Data on Transmission and Distribution Plant

ITEM	Year-to-Date	Year-to-Date
	Last Year	This Year
	(a)	(b)
1. New Services Connected	289	206
2. Services Retired	34	19
3. Total Services in Place	16,691	17,246
4. Idle Services (Exclude Seasonals)	1,885	2,039
5. Miles Transmission	0.00	0.00
6. Miles Distribution - Overhead	1,852.07	1,878.63
7. Miles Distribution - Underground	170.68	195.81
8. Total Miles Energized (5+6+7)	2,022.75	2,074.44

USDA-RUS FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION KY0030	
		PERIOD ENDED 10/2008	
Part C. Balance Sheet			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	62,082,422	29. Memberships	0
2. Consturction Work in Progress	320,321	30. Patronage Capital	24,045,420
3. Total Utility Plant (1+2)	62,402,742	31. Operating Margins - Prior Years	93,068
4. Accum. Provision for Depreciation and Amort.	10,304,825	32. Operating Margins - Current Years	-697,334
5. Net Utility Plant (3-4)	52,097,917	33. Non-Operating Margins	842,861
6. Non-Utility Property (Net)	0	34. Other Margins and Equities	445,581
7. Investments in Subsidiary Companies	775,824	35. Total Margins & Equities (29 thru 34)	24,729,596
8. Invest. In Assoc. Org. - Patronage Capital	6,567,734	36. Long-Term Debt - RUS (NET)	14,513,118
9. Invest. In Assoc. Org. - Other - General Funds	0	(Payments - Unapplied)	0
10. Invest. In Assoc. Org. - Other - Nongeneral Funds	703,922	37. Long-Term Debt - RUS - Econ. Devel. (Net)	0
11. Investments in Economic Development Projects	191,000	38. Long-Term Debt - FFB - RUS Guaranteed	15,861,648
12. Other Investments	62,100	39. Long-Term Debt - Other - RUS Guaranteed	0
13. Special Funds	0	40. Long-Term Debt Other (Net)	3,946,000
14. Total Other Property & Investments (6 thru 13)	8,300,581	41. Total Long-Term Debt (36 thru 40)	34,320,766
15. Cash - General Funds	1,284,823	42. Obligations Under Capital Leases - Noncurrent	0
16. Cash - Construction Funds - Trustee	0	43. Accumulated Operating Provisions and Asset Retirement Obligations	1,872,867
17. Special Deposits	425	44. Total Other Noncurrent Liabilities (42+43)	1,872,867
18. Temporary Investments	474,750	45. Notes Payable	0
19. Notes Receivable (Net)	0	46. Accounts Payable	2,474,614
20. Accounts Receivable - Sales of Energy (Net)	2,330,065	47. Consumers Deposits	381,395
21. Accounts Receivable - Other (Net)	218,316	48. Current Maturities Long-Term Debt	0
22. Materials and Supplies - Electric & Other	317,500	49. Current Maturities Long-Term Debt-Economic Development	0
23. Prepayments	111,755	50. Current Maturities Capital Leases	0
24. Other Current and Accrued Assets	2,375	51. Other Current and Accrued Liabilities	457,384
25. Total Current and Accrued Assets (15 thru 24)	4,740,008	52. Total Current & Accrued Liabilities (45 thru 51)	3,313,393
26. Regulatory Assets	0	53. Regulatory Liabilities	0
27. Other Deferred Debits	0	54. Other Deferred Credits	901,885
28. Total Assets and Other Debits (5+14+25+ thru 27)	65,138,506	55. Total Liabilities and Other Credits (35+41+44+52 thru 54)	65,138,506

USDA-RUS FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION KY0030
	PERIOD ENDED 11/2008

Part A. Statement of Operations

ITEM	Year-to-Date	Year-to-Date	Year-to-Date	This Month
	Last Year	This Year	Budget	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital	32,295,042	32,905,605	33,317,768	2,975,287
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	25,041,430	26,326,279	25,613,708	2,485,404
4. Transmission Expense	0	0	0	0
5. Distribution Expense - Operation	1,018,021	1,170,119	1,083,467	107,951
6. Distribution Expense - Maintenance	1,072,902	1,475,562	1,246,529	79,269
7. Customer Accounts Expense	699,973	658,501	726,448	58,099
8. Customer Service and Informational Expense	124,856	124,034	140,368	17,226
9. Sales Expense	4,738	3,898	8,417	450
10. Administrative and General Expense	601,731	810,297	643,265	73,918
11. Total Operation & Maintenance Expense (2 thru 10)	28,563,651	30,568,690	29,462,202	2,822,317
12. Depreciation and Amortization Expense	1,571,130	1,641,290	1,649,112	151,419
13. Tax Expense - Property & Gross Receipts	0	0	0	0
14. Tax Expense - Other	30,517	31,724	32,963	2,884
15. Interest on Long-Term Debt	1,552,422	1,528,883	1,581,490	125,677
16. Interest Charged to Construction - Credit	0	0	0	0
17. Interest Expense - Other	19,706	27,723	20,693	3,739
18. Other Deductions	11,664	3,735	988	35
19. Total Cost of Electric Service (11 thru 18)	31,749,089	33,802,045	32,747,448	3,106,072
20. Patronage Capital & Operating Margins (1 minus 19)	545,953	(896,440)	570,320	(130,785)
21. Non Operating Margins - Interest	206,568	72,407	242,442	4,244
22. Allowance for Funds Used During Construction	0	0	0	0
23. Income (Loss) from Equity Investments	0	0	1,525	0
24. Non Operating Margins - Other	25,560	62,719	(4,092)	(397)
25. Generation and Transmission Capital Credits	0	0	0	0
26. Other Capital Credits and Patronage Dividends	62,993	68,321	63,500	0
27. Extraordinary Items	0	0	0	0
28. Patronage Capital or Margins (20 thru 27)	841,075	(692,993)	873,695	(126,938)

Part B. Data on Transmission and Distribution Plant

ITEM	Year-to-Date	Year-to-Date
	Last Year	This Year
	(a)	(b)
1. New Services Connected	341	227
2. Services Retired	47	19
3. Total Services in Place	17,046	17,267
4. Idle Services (Exclude Seasonals)	1,965	2,030
5. Miles Transmission	0.00	0.00
6. Miles Distribution - Overhead	1,872.78	1,880.51
7. Miles Distribution - Underground	190.67	196.39
8. Total Miles Energized (5+6+7)	2,063.45	2,076.90

USDA-RUS FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION	
		KY0030	
		PERIOD ENDED	
		11/2008	
Part C. Balance Sheet			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	62,242,627	29. Memberships	0
2. Consturction Work in Progress	385,467	30. Patronage Capital	23,716,081
3. Total Utility Plant (1+2)	62,628,095	31. Operating Margins - Prior Years	93,068
4. Accum. Provision for Depreciation and Amort.	10,443,202	32. Operating Margins - Current Years	-828,119
5. Net Utility Plant (3-4)	52,184,893	33. Non-Operating Margins	846,707
6. Non-Utility Property (Net)	0	34. Other Margins and Equities	497,794
7. Investments in Subsidiary Companies	775,824	35. Total Margins & Equities (29 thru 34)	24,325,531
8. Invest. In Assoc. Org. - Patronage Capital	6,567,734	36. Long-Term Debt - RUS (NET)	14,434,506
9. Invest. In Assoc. Org. - Other - General Funds	0	(Payments - Unapplied)	0
10. Invest. In Assoc. Org. - Other - Nongeneral Funds	703,922	37. Long-Term Debt - RUS - Econ. Devel. (Net)	0
11. Investments in Economic Development Projects	185,000	38. Long-Term Debt - FFB - RUS Guaranteed	15,861,648
12. Other Investments	62,100	39. Long-Term Debt - Other - RUS Guaranteed	0
13. Special Funds	0	40. Long-Term Debt Other (Net)	3,893,463
14. Total Other Property & Investments (6 thru 13)	8,294,581	41. Total Long-Term Debt (36 thru 40)	34,189,617
15. Cash - General Funds	1,251,317	42. Obligations Under Capital Leases - Noncurrent	0
16. Cash - Construction Funds - Trustee	0	43. Accumulated Operating Provisions and Asset Retirement Obligations	1,875,106
17. Special Deposits	425	44. Total Other Noncurrent Liabilities (42+43)	1,875,106
18. Temporary Investments	29,058	45. Notes Payable	0
19. Notes Receivable (Net)	0	46. Accounts Payable	3,685,343
20. Accounts Receivable - Sales of Energy (Net)	3,334,770	47. Consumers Deposits	380,420
21. Accounts Receivable - Other (Net)	248,053	48. Current Maturities Long-Term Debt	0
22. Materials and Supplies - Electric & Other	303,921	49. Current Maturities Long-Term Debt-Economic Development	0
23. Prepayments	112,135	50. Current Maturities Capital Leases	0
24. Other Current and Accrued Assets	4,769	51. Other Current and Accrued Liabilities	404,146
25. Total Current and Accrued Assets (15 thru 24)	5,284,448	52. Total Current & Accrued Liabilities (45 thru 51)	4,469,910
26. Regulatory Assets	0	53. Regulatory Liabilities	0
27. Other Deferred Debits	0	54. Other Deferred Credits	903,758
28. Total Assets and Other Debits (5+14+25+ thru 27)	65,763,921	55. Total Liabilities and Other Credits (35+41+44+52 thru 54)	65,763,921

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 16 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

BORROWER DESIGNATION KY0030

FINANCIAL AND STATISTICAL REPORT

PERIOD ENDED
December, 2008 (Prepared with Audited Data)

INSTRUCTIONS - For detailed instructions, see RUS Bulletin 1717B-2.

BORROWER NAME

This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. seq.) and may be confidential.

SHELBY ENERGY COOPERATIVE, INC.

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII

(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

Debbie Martin

3/26/2009

DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	35,483,826	36,715,091	36,199,824	3,809,486
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	27,337,041	29,125,693	28,015,000	2,799,414
4. Transmission Expense	0	0	0	0
5. Distribution Expense - Operation	1,144,890	1,282,390	1,205,464	112,271
6. Distribution Expense - Maintenance	1,173,892	1,483,213	1,366,882	7,651
7. Customer Accounts Expense	771,884	718,598	801,664	60,097
8. Customer Service and Informational Expense	132,324	134,883	153,353	10,849
9. Sales Expense	5,794	5,301	11,149	1,403
10. Administrative and General Expense	659,089	860,421	745,950	50,124
11. Total Operation & Maintenance Expense (2 thru 10)	31,224,914	33,610,499	32,299,462	3,041,809
12. Depreciation and Amortization Expense	1,717,103	1,793,305	1,801,555	152,014
13. Tax Expense - Property & Gross Receipts	0	0	0	0
14. Tax Expense - Other	34,584	34,608	37,356	2,884
15. Interest on Long-Term Debt	1,690,546	1,669,016	1,723,476	140,133
16. Interest Charged to Construction - Credit	0	0	0	0
17. Interest Expense - Other	22,523	32,331	22,762	4,608
18. Other Deductions	12,008	3,779	1,000	44
19. Total Cost of Electric Service (11 thru 18)	34,701,678	37,143,538	35,885,611	3,341,492
20. Patronage Capital & Operating Margins (1 minus 19)	782,148	(428,447)	314,213	467,994
21. Non Operating Margins - Interest	215,989	76,082	259,783	3,674
22. Allowance for Funds Used During Construction	0	0	0	0
23. Income (Loss) from Equity Investments	2,399	50,722	114,025	50,722
24. Non Operating Margins - Other	27,113	(56,536)	(86,050)	(119,255)
25. Generation and Transmission Capital Credits	0	350,180	0	350,180
26. Other Capital Credits and Patronage Dividends	62,993	98,238	63,500	29,917
27. Extraordinary Items	0	0	0	0
28. Patronage Capital or Margins (20 thru 27)	1,090,642	90,239	665,471	783,232

USDA - RUS FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION KY0030
	PERIOD ENDED December, 2008

NSTRUCTIONS - See RUS Bulletin 1717B-2

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	361	248	5. Miles Transmission	0.00	0.00
2. Services Retired	54	19	6. Miles Distribution - Overhead	1,873.11	1,881.29
3. Total Services in Place	17,059	17,288	7. Miles Distribution - Underground	191.73	196.86
4. Idle Services (Exclude Seasonals)	1,943	2,005	8. Total Miles Energized (5 + 6 + 7)	2,064.84	2,078.15

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	62,257,438	29. Memberships.....	0
2. Construction Work in Progress	280,251	30. Patronage Capital.....	23,706,743
3. Total Utility Plant (1 + 2)	62,537,689	31. Operating Margins - Prior Years.....	93,068
4. Accum. Provision for Depreciation and Amort	10,458,392	32. Operating Margins - Current Year.....	19,972
5. Net Utility Plant (3 - 4)	52,079,297	33. Non-Operating Margins.....	781,849
6. Non-Utility Property (Net)	0	34. Other Margins and Equities.....	531,790
7. Investments in Subsidiary Companies	826,036	35. Total Margins & Equities (29 thru 34).....	25,133,422
8. Invest. in Assoc. Org. - Patronage Capital	6,947,832	36. Long-Term Debt - RUS (Net).....	14,862,462
9. Invest. in Assoc. Org. - Other - General Funds	0	37. Long-Term Debt - FFB - RUS Guaranteed.....	15,371,884
10. Invest. in Assoc. Org. - Other - Nongeneral Funds.....	703,922	38. Long-Term Debt - Other - RUS Guaranteed.....	0
11. Investments in Economic Development Projects	182,000	39. Long-Term Debt Other (Net).....	3,593,317
12. Other Investments	62,100	40. Long-Term Debt - RUS - Econ. Devel. (Net).....	0
13. Special Funds	0	41. Payments - Unapplied	0
14. Total Other Property & Investments (6 thru 13)	8,721,890	42. Total Long-Term Debt (36 thru 40 - 41).....	33,827,663
15. Cash - General Funds	1,006,590	43. Obligations Under Capital Leases - Noncurrent.....	0
16. Cash - Construction Funds - Trustee	0	44. Accumulated Operating Provisions and Asset Retirement Obligations..	1,857,970
17. Special Deposits	425	45. Total Other Noncurrent Liabilities (43 + 44).....	1,857,970
18. Temporary Investments	1,015,173	46. Notes Payable.....	0
19. Notes Receivable (Net)	0	47. Accounts Payable.....	3,765,403
20. Accounts Receivable - Sales of Energy (Net)	3,846,996	48. Consumers Deposits.....	378,395
21. Accounts Receivable - Other (Net)	358,412	49. Current Maturities Long-Term Debt.....	1,252,412
22. Materials and Supplies - Electric & Other	289,486	50. Current Maturities Long-Term Debt -Economic Development.....	0
23. Prepayments	94,075	51. Current Maturities Capital Leases.....	0
24. Other Current and Accrued Assets	7,162	52. Other Current and Accrued Liabilities.....	308,229
25. Total Current and Accrued Assets (15 thru 24)	6,618,319	53. Total Current & Accrued Liabilities (46 thru 52).....	5,704,439
26. Regulatory Assets	0	54. Regulatory Liabilities.....	0
27. Other Deferred Debits	8,124	55. Other Deferred Credits.....	904,136
28. Total Assets and Other Debits (5+14+25 thru 27).....	67,427,630	56. Total Liabilities and Other Credits (35+ 42 + 45 + 53 thru 55).....	67,427,630

USDA-RUS FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION
	KY0030
	PERIOD ENDED
	01/2009

Part A. Statement of Operations

ITEM	Year-to-Date	Year-to-Date	Year-to-Date	This Month
	Last Year	This Year	Budget	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital	3,481,794	4,189,349	3,887,589	4,189,349
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	2,973,110	3,117,976	3,319,898	3,117,976
4. Transmission Expense	0	0	0	0
5. Distribution Expense - Operation	121,364	108,245	116,966	108,245
6. Distribution Expense - Maintenance	110,358	338,241	100,259	338,241
7. Customer Accounts Expense	69,060	59,144	69,782	59,144
8. Customer Service and Informational Expense	10,987	15,105	6,456	15,105
9. Sales Expense	(1,111)	(1,468)	(1,463)	(1,468)
10. Administrative and General Expense	57,697	70,541	63,895	70,541
11. Total Operation & Maintenance Expense (2 thru 10)	3,341,466	3,707,785	3,675,793	3,707,785
12. Depreciation and Amortization Expense	146,369	152,217	153,634	152,217
13. Tax Expense - Property & Gross Receipts	0	0	0	0
14. Tax Expense - Other	2,884	2,972	2,889	2,972
15. Interest on Long-Term Debt	143,700	144,720	144,720	144,720
16. Interest Charged to Construction - Credit	0	0	0	0
17. Interest Expense - Other	3,592	3,906	3,699	3,906
18. Other Deductions	356	146	109	146
19. Total Cost of Electric Service (11 thru 18)	3,638,367	4,011,745	3,980,844	4,011,745
20. Patronage Capital & Operating Margins (1 minus 19)	(156,573)	177,604	(93,255)	177,604
21. Non Operating Margins - Interest	5,979	3,156	5,743	3,156
22. Allowance for Funds Used During Construction	0	0	0	0
23. Income (Loss) from Equity Investments	0	0	0	0
24. Non Operating Margins - Other	(556)	(626)	(530)	(626)
25. Generation and Transmission Capital Credits	0	0	0	0
26. Other Capital Credits and Patronage Dividends	6,986	0	7,004	0
27. Extraordinary Items	0	0	0	0
28. Patronage Capital or Margins (20 thru 27)	(144,164)	180,134	(81,038)	180,134

Part B. Data on Transmission and Distribution Plant

ITEM	Year-to-Date	Year-to-Date
	Last Year	This Year
	(a)	(b)
1. New Services Connected	19	4
2. Services Retired	2	3
3. Total Services in Place	16,769	17,289
4. Idle Services (Exclude Seasonals)	1,646	1,985
5. Miles Transmission	0.00	0.00
6. Miles Distribution - Overhead	1,873.11	1,881.95
7. Miles Distribution - Underground	191.73	197.02
8. Total Miles Energized (5+6+7)	2,064.84	2,078.97

USDA-RUS FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION	
		KY0030	
		PERIOD ENDED	
		01/2009	
Part C. Balance Sheet			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	62,396,873	29. Memberships	0
2. Consturction Work in Progress	426,307	30. Patronage Capital	23,367,532
3. Total Utility Plant (1+2)	62,823,180	31. Operating Margins - Prior Years	443,248
4. Accum. Provision for Depreciation and Amort.	10,624,614	32. Operating Margins - Current Years	177,604
5. Net Utility Plant (3-4)	52,198,566	33. Non-Operating Margins	784,378
6. Non-Utility Property (Net)	0	34. Other Margins and Equities	537,977
7. Investments in Subsidiary Companies	826,036	35. Total Margins & Equities (29 thru 34)	25,310,740
8. Invest. In Assoc. Org. - Patronage Capital	6,947,831	36. Long-Term Debt - RUS (NET)	15,371,311
9. Invest. In Assoc. Org. - Other - General Funds	0	(Payments - Unapplied)	0
10. Invest. In Assoc. Org. - Other - Nongeneral Funds	703,922	37. Long-Term Debt - RUS - Econ. Devel. (Net)	0
11. Investments in Economic Development Projects	179,000	38. Long-Term Debt - FFB - RUS Guaranteed	15,786,356
12. Other Investments	62,100	39. Long-Term Debt - Other - RUS Guaranteed	0
13. Special Funds	0	40. Long-Term Debt Other (Net)	3,893,463
14. Total Other Property & Investments (6 thru 13)	8,718,890	41. Total Long-Term Debt (36 thru 40)	35,051,130
15. Cash - General Funds	2,034,918	42. Obligations Under Capital Leases - Noncurrent	0
16. Cash - Construction Funds - Trustee	0	43. Accumulated Operating Provisions and Asset Retirement Obligations	1,860,475
17. Special Deposits	425	44. Total Other Noncurrent Liabilities (42+43)	1,860,475
18. Temporary Investments	10,173	45. Notes Payable	0
19. Notes Receivable (Net)	0	46. Accounts Payable	4,570,464
20. Accounts Receivable - Sales of Energy (Net)	4,705,668	47. Consumers Deposits	382,995
21. Accounts Receivable - Other (Net)	402,626	48. Current Maturities Long-Term Debt	0
22. Materials and Supplies - Electric & Other	302,974	49. Current Maturities Long-Term Debt-Economic Development	0
23. Prepayments	187,115	50. Current Maturities Capital Leases	0
24. Other Current and Accrued Assets	9,401	51. Other Current and Accrued Liabilities	504,147
25. Total Current and Accrued Assets (15 thru 24)	7,653,300	52. Total Current & Accrued Liabilities (45 thru 51)	5,457,606
26. Regulatory Assets	0	53. Regulatory Liabilities	0
27. Other Deferred Debits	8,124	54. Other Deferred Credits	898,930
28. Total Assets and Other Debits (5+14+25+ thru 27)	68,578,880	55. Total Liabilities and Other Credits (35+41+44+52 thru 54)	68,578,880

USDA-RUS FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION KY0030			
		PERIOD ENDED 02/2009			
Part A. Statement of Operations					
ITEM	Year-to-Date Last Year (a)	Year-to-Date This Year (b)	Year-to-Date Budget (c)	This Month (d)	
1.	Operating Revenue and Patronage Capital	6,803,939	7,415,327	7,598,763	3,225,978
2.	Power Production Expense	0	0	0	0
3.	Cost of Purchased Power	5,639,068	5,733,190	6,296,817	2,615,214
4.	Transmission Expense	0	0	0	0
5.	Distribution Expense - Operation	236,771	194,181	223,952	85,936
6.	Distribution Expense - Maintenance	273,667	964,984	214,443	626,743
7.	Customer Accounts Expense	121,668	113,287	126,818	54,143
8.	Customer Service and Informational Expense	19,693	27,559	20,105	12,454
9.	Sales Expense	348	1,301	2,925	167
10.	Administrative and General Expense	115,299	119,240	119,562	48,699
11.	Total Operation & Maintenance Expense (2 thru 10)	6,406,513	7,153,742	7,004,622	3,443,357
12.	Depreciation and Amortization Expense	293,781	304,882	308,365	152,665
13.	Tax Expense - Property & Gross Receipts	0	0	0	0
14.	Tax Expense - Other	5,768	5,944	5,778	2,972
15.	Interest on Long-Term Debt	261,503	250,810	260,188	106,090
16.	Interest Charged to Construction - Credit	0	0	0	0
17.	Interest Expense - Other	6,934	8,382	7,146	4,477
18.	Other Deductions	485	181	241	35
19.	Total Cost of Electric Service (11 thru 18)	6,974,985	7,723,941	7,586,340	3,709,595
20.	Patronage Capital & Operating Margins (1 minus 19)	(171,046)	(308,614)	12,423	(483,617)
21.	Non Operating Margins - Interest	13,820	6,154	13,275	2,998
22.	Allowance for Funds Used During Construction	0	0	0	0
23.	Income (Loss) from Equity Investments	0	0	0	
24.	Non Operating Margins - Other	(1,077)	(1,166)	(1,027)	(540)
25.	Generation and Transmission Capital Credits	0	0	0	0
26.	Other Capital Credits and Patronage Dividends	21,142	16,616	21,197	16,616
27.	Extraordinary Items	0	0	0	0
28.	Patronage Capital or Margins (20 thru 27)	(137,161)	(287,011)	45,868	(464,543)
Part B. Data on Transmission and Distribution Plant					
ITEM	Year-to-Date Last Year (a)	Year-to-Date This Year (b)			
1.	New Services Connected	38	19		
2.	Services Retired	5	5		
3.	Total Services in Place	16,785	17,302		
4.	Idle Services (Exclude Seasonals)	1,914	2,058		
5.	Miles Transmission	0.00	0.00		
6.	Miles Distribution - Overhead	1,855.16	1,882.39		
7.	Miles Distribution - Underground	180.74	197.28		
8.	Total Miles Energized (5+6+7)	2,035.90	2,079.67		

USDA-RUS FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION	
		KY0030	
		PERIOD ENDED	
		02/2009	
Part C. Balance Sheet			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	62,565,369	29. Memberships	0
2. Consturction Work in Progress	429,016	30. Patronage Capital	23,364,026
3. Total Utility Plant (1+2)	62,994,384	31. Operating Margins - Prior Years	443,248
4. Accum. Provision for Depreciation and Amort.	10,723,199	32. Operating Margins - Current Years	-289,397
5. Net Utility Plant (3-4)	52,271,185	33. Non-Operating Margins	786,836
6. Non-Utility Property (Net)	0	34. Other Margins and Equities	540,126
7. Investments in Subsidiary Companies	826,036	35. Total Margins & Equities (29 thru 34)	24,844,839
8. Invest. In Assoc. Org. - Patronage Capital	6,959,903	36. Long-Term Debt - RUS (NET)	
9. Invest. In Assoc. Org. - Other - General Funds	0	(Payments - Unapplied)	15,286,659
10. Invest. In Assoc. Org. - Other - Nongeneral Funds	703,922	37. Long-Term Debt - RUS - Econ. Devel. (Net)	15,786,356
11. Investments in Economic Development Projects	176,000	38. Long-Term Debt - FFB - RUS Guaranteed	0
12. Other Investments	62,100	39. Long-Term Debt - Other - RUS Guaranteed	3,843,859
13. Special Funds	0	40. Long-Term Debt Other (Net)	0
14. Total Other Property & Investments (6 thru 13)	8,727,962	41. Total Long-Term Debt (36 thru 40)	34,916,874
15. Cash - General Funds	1,468,791	42. Obligations Under Capital Leases - Noncurrent	0
16. Cash - Construction Funds - Trustee	0	43. Accumulated Operating Provisions and Asset	
17. Special Deposits	425	Retirement Obligations	1,867,053
18. Temporary Investments	15,808	44. Total Other Noncurrent Liabilities (42+43)	1,867,053
19. Notes Receivable (Net)	0	45. Notes Payable	0
20. Accounts Receivable - Sales of Energy (Net)	3,794,519	46. Accounts Payable	3,629,838
21. Accounts Receivable - Other (Net)	192,202	47. Consumers Deposits	379,895
22. Materials and Supplies - Electric & Other	355,526	48. Current Maturities Long-Term Debt	0
23. Prepayments	173,385	49. Current Maturities Long-Term Debt-Economic	
24. Other Current and Accrued Assets	11,469	Development	0
25. Total Current and Accrued Assets (15 thru 24)	6,012,125	50. Current Maturities Capital Leases	0
26. Regulatory Assets	0	51. Other Current and Accrued Liabilities	488,254
27. Other Deferred Debits	11,844	52. Total Current & Accrued Liabilities (45 thru 51)	4,497,987
28. Total Assets and Other Debits (5+14+25+ thru 27)	67,023,116	53. Regulatory Liabilities	0
		54. Other Deferred Credits	896,363
		55. Total Liabilities and Other Credits (35+41+44+52 thru 54)	67,023,116

USDA-RUS FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION
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	PERIOD ENDED
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Part A. Statement of Operations

ITEM	Year-to-Date	Year-to-Date	Year-to-Date	This Month
	Last Year	This Year	Budget	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital	10,038,466	10,181,308	11,213,035	2,765,981
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	8,042,435	8,101,429	8,980,516	2,368,239
4. Transmission Expense	0	0	0	0
5. Distribution Expense - Operation	356,673	313,357	344,118	119,176
6. Distribution Expense - Maintenance	408,487	1,061,760	354,527	96,775
7. Customer Accounts Expense	185,087	171,603	186,988	58,316
8. Customer Service and Informational Expense	31,073	39,935	34,211	12,377
9. Sales Expense	647	(699)	3,252	602
10. Administrative and General Expense	179,083	196,413	187,295	77,173
11. Total Operation & Maintenance Expense (2 thru 10)	9,203,485	9,883,798	10,090,907	2,732,657
12. Depreciation and Amortization Expense	441,623	457,873	463,546	152,991
13. Tax Expense - Property & Gross Receipts	0	0	0	0
14. Tax Expense - Other	8,652	8,916	8,667	2,972
15. Interest on Long-Term Debt	410,294	401,166	409,778	150,356
16. Interest Charged to Construction - Credit	0	0	0	0
17. Interest Expense - Other	10,553	12,579	10,873	4,197
18. Other Deductions	485	225	241	44
19. Total Cost of Electric Service (11 thru 18)	10,075,092	10,764,557	10,984,012	3,043,216
20. Patronage Capital & Operating Margins (1 minus 19)	(36,626)	(583,249)	229,023	(277,236)
21. Non Operating Margins - Interest	20,426	9,285	19,620	3,131
22. Allowance for Funds Used During Construction	0	0	0	0
23. Income (Loss) from Equity Investments	0	0	0	0
24. Non Operating Margins - Other	(1,550)	(1,504)	(1,478)	(338)
25. Generation and Transmission Capital Credits	0	0	0	0
26. Other Capital Credits and Patronage Dividends	31,567	16,616	31,649	0
27. Extraordinary Items	0	0	0	0
28. Patronage Capital or Margins (20 thru 27)	13,817	(558,852)	278,814	(274,442)

Part B. Data on Transmission and Distribution Plant

ITEM	Year-to-Date	Year-to-Date
	Last Year	This Year
	(a)	(b)
1. New Services Connected	43	41
2. Services Retired	8	11
3. Total Services in Place	17,094	17,318
4. Idle Services (Exclude Seasonals)	1,996	2,083
5. Miles Transmission	0.00	0.00
6. Miles Distribution - Overhead	1,873.57	1,882.95
7. Miles Distribution - Underground	192.77	197.59
8. Total Miles Energized (5+6+7)	2,066.34	2,080.54

USDA-RUS FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION
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Part C. Balance Sheet			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	62,695,385	29. Memberships	0
2. Consturction Work in Progress	561,734	30. Patronage Capital	23,359,233
3. Total Utility Plant (1+2)	63,257,119	31. Operating Margins - Prior Years	443,248
4. Accum. Provision for Depreciation and Amort.	10,843,759	32. Operating Margins - Current Years	-566,633
5. Net Utility Plant (3-4)	52,413,360	33. Non-Operating Margins	789,630
6. Non-Utility Property (Net)	0	34. Other Margins and Equities	543,365
7. Investments in Subsidiary Companies	826,036	35. Total Margins & Equities (29 thru 34)	24,568,843
8. Invest. In Assoc. Org. - Patronage Capital	6,959,903	36. Long-Term Debt - RUS (NET)	
9. Invest. In Assoc. Org. - Other - General Funds	0	(Payments - Unapplied)	15,203,072
10. Invest. In Assoc. Org. - Other - Nongeneral Funds	702,507	37. Long-Term Debt - RUS - Econ. Devel. (Net)	0
11. Investments in Economic Development Projects	171,000	38. Long-Term Debt - FFB - RUS Guaranteed	15,706,721
12. Other Investments	62,100	39. Long-Term Debt - Other - RUS Guaranteed	0
13. Special Funds	0	40. Long-Term Debt Other (Net)	3,843,859
14. Total Other Property & Investments (6 thru 13)	8,721,547	41. Total Long-Term Debt (36 thru 40)	34,753,653
15. Cash - General Funds	1,428,722	42. Obligations Under Capital Leases - Noncurrent	0
16. Cash - Construction Funds - Trustee	0	43. Accumulated Operating Provisions and Asset Retirement Obligations	1,872,493
17. Special Deposits	425	44. Total Other Noncurrent Liabilities (42+43)	1,872,493
18. Temporary Investments	9,011	45. Notes Payable	0
19. Notes Receivable (Net)	0	46. Accounts Payable	3,297,827
20. Accounts Receivable - Sales of Energy (Net)	2,978,613	47. Consumers Deposits	379,445
21. Accounts Receivable - Other (Net)	210,286	48. Current Maturities Long-Term Debt	0
22. Materials and Supplies - Electric & Other	304,829	49. Current Maturities Long-Term Debt-Economic Development	0
23. Prepayments	147,861	50. Current Maturities Capital Leases	0
24. Other Current and Accrued Assets	13,758	51. Other Current and Accrued Liabilities	474,076
25. Total Current and Accrued Assets (15 thru 24)	5,093,504	52. Total Current & Accrued Liabilities (45 thru 51)	4,151,348
26. Regulatory Assets	0	53. Regulatory Liabilities	0
27. Other Deferred Debits	11,872	54. Other Deferred Credits	893,946
28. Total Assets and Other Debits (5+14+25+ thru 27)	66,240,283	55. Total Liabilities and Other Credits (35+41+44+52 thru 54)	66,240,283

USDA-RUS FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION			
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Part A. Statement of Operations

ITEM	Year-to-Date Last Year (a)	Year-to-Date This Year (b)	Year-to-Date Budget (c)	This Month (d)
1. Operating Revenue and Patronage Capital	12,727,495	13,003,989	14,211,188	2,822,681
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	10,113,336	10,148,857	11,292,970	2,047,428
4. Transmission Expense	0	0	0	0
5. Distribution Expense - Operation	465,029	437,146	456,054	123,789
6. Distribution Expense - Maintenance	523,865	632,736	451,911	(429,024)
7. Customer Accounts Expense	242,430	230,774	245,717	59,171
8. Customer Service and Informational Expense	42,896	53,930	48,477	13,994
9. Sales Expense	1,090	(505)	4,079	194
10. Administrative and General Expense	252,768	256,137	259,504	59,724
11. Total Operation & Maintenance Expense (2 thru 10)	11,641,414	11,759,074	12,758,712	1,875,277
12. Depreciation and Amortization Expense	590,030	611,340	619,321	153,468
13. Tax Expense - Property & Gross Receipts	0	0	0	0
14. Tax Expense - Other	11,536	11,888	11,556	2,972
15. Interest on Long-Term Debt	553,994	545,886	554,498	144,720
16. Interest Charged to Construction - Credit	0	0	0	0
17. Interest Expense - Other	12,809	18,656	13,234	6,077
18. Other Deductions	694	569	456	344
19. Total Cost of Electric Service (11 thru 18)	12,810,477	12,947,414	13,957,777	2,182,858
20. Patronage Capital & Operating Margins (1 minus 19)	(82,982)	56,575	253,411	639,824
21. Non Operating Margins - Interest	27,706	12,205	26,613	2,920
22. Allowance for Funds Used During Construction	0	0	0	0
23. Income (Loss) from Equity Investments	0	0	0	0
24. Non Operating Margins - Other	12,005	(1,947)	(3,961)	(443)
25. Generation and Transmission Capital Credits	0	0	0	0
26. Other Capital Credits and Patronage Dividends	31,487	16,616	31,569	0
27. Extraordinary Items	0	0	0	0
28. Patronage Capital or Margins (20 thru 27)	(11,783)	83,448	307,632	642,300

Part B. Data on Transmission and Distribution Plant

ITEM	Year-to-Date Last Year (a)	Year-to-Date This Year (b)
1. New Services Connected	68	53
2. Services Retired	10	14
3. Total Services in Place	17,117	17,327
4. Idle Services (Exclude Seasonals)	1,998	2,060
5. Miles Transmission	0.00	0.00
6. Miles Distribution - Overhead	1,874.00	1,883.27
7. Miles Distribution - Underground	193.06	197.95
8. Total Miles Energized (5+6+7)	2,067.06	2,081.22

USDA-RUS FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION KY0030	
		PERIOD ENDED 04/2009	
Part C. Balance Sheet			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	62,869,092	29. Memberships	0
2. Consturction Work in Progress	491,500	30. Patronage Capital	23,356,061
3. Total Utility Plant (1+2)	63,360,592	31. Operating Margins - Prior Years	443,248
4. Accum. Provision for Depreciation and Amort.	10,949,525	32. Operating Margins - Current Years	73,191
5. Net Utility Plant (3-4)	52,411,067	33. Non-Operating Margins	792,106
6. Non-Utility Property (Net)	0	34. Other Margins and Equities	543,635
7. Investments in Subsidiary Companies	826,036	35. Total Margins & Equities (29 thru 34)	25,208,240
8. Invest. In Assoc. Org. - Patronage Capital	6,959,903	36. Long-Term Debt - RUS (NET)	
9. Invest. In Assoc. Org. - Other - General Funds	0	(Payments - Unapplied)	15,172,006
10. Invest. In Assoc. Org. - Other - Nongeneral Funds	702,507	37. Long-Term Debt - RUS - Econ. Devel. (Net)	0
11. Investments in Economic Development Projects	166,000	38. Long-Term Debt - FFB - RUS Guaranteed	15,706,721
12. Other Investments	84,656	39. Long-Term Debt - Other - RUS Guaranteed	0
13. Special Funds	0	40. Long-Term Debt Other (Net)	3,843,859
14. Total Other Property & Investments (6 thru 13)	8,739,103	41. Total Long-Term Debt (36 thru 40)	34,722,586
15. Cash - General Funds	1,121,856	42. Obligations Under Capital Leases - Noncurrent	0
16. Cash - Construction Funds - Trustee	0	43. Accumulated Operating Provisions and Asset Retirement Obligations	1,875,842
17. Special Deposits	425	44. Total Other Noncurrent Liabilities (42+43)	1,875,842
18. Temporary Investments	825,000	45. Notes Payable	0
19. Notes Receivable (Net)	0	46. Accounts Payable	3,926,016
20. Accounts Receivable - Sales of Energy (Net)	2,986,760	47. Consumers Deposits	383,195
21. Accounts Receivable - Other (Net)	1,033,339	48. Current Maturities Long-Term Debt	0
22. Materials and Supplies - Electric & Other	310,844	49. Current Maturities Long-Term Debt-Economic Development	0
23. Prepayments	132,059	50. Current Maturities Capital Leases	0
24. Other Current and Accrued Assets	2,022	51. Other Current and Accrued Liabilities	640,488
25. Total Current and Accrued Assets (15 thru 24)	6,412,305	52. Total Current & Accrued Liabilities (45 thru 51)	4,949,699
26. Regulatory Assets	0	53. Regulatory Liabilities	0
27. Other Deferred Debits	86,495	54. Other Deferred Credits	892,602
28. Total Assets and Other Debits (5+14+25+ thru 27)	67,648,970	55. Total Liabilities and Other Credits (35+41+44+52 thru 54)	67,648,970

USDA-RUS FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION
	KY0030
	PERIOD ENDED
	05/2009

Part A. Statement of Operations

	ITEM	Year-to-Date	Year-to-Date	Year-to-Date	This Month
		Last Year	This Year	Budget	
		(a)	(b)	(c)	
1.	Operating Revenue and Patronage Capital	15,368,286	15,738,523	17,159,607	2,734,535
2.	Power Production Expense	0	0	0	0
3.	Cost of Purchased Power	12,084,974	12,135,991	13,494,583	1,987,134
4.	Transmission Expense	0	0	0	0
5.	Distribution Expense - Operation	577,276	551,915	568,581	114,769
6.	Distribution Expense - Maintenance	586,327	753,167	564,652	120,431
7.	Customer Accounts Expense	298,706	285,918	303,667	55,145
8.	Customer Service and Informational Expense	50,864	66,027	61,527	12,098
9.	Sales Expense	1,370	(302)	4,384	203
10.	Administrative and General Expense	311,441	329,820	317,857	73,683
11.	Total Operation & Maintenance Expense (2 thru 10)	13,910,959	14,122,536	15,315,251	2,363,462
12.	Depreciation and Amortization Expense	738,940	765,125	775,625	153,784
13.	Tax Expense - Property & Gross Receipts	0	0	0	0
14.	Tax Expense - Other	14,420	14,860	14,444	2,972
15.	Interest on Long-Term Debt	689,838	666,337	690,416	120,451
16.	Interest Charged to Construction - Credit	0	0	0	0
17.	Interest Expense - Other	14,672	25,173	15,190	6,517
18.	Other Deductions	882	569	649	0
19.	Total Cost of Electric Service (11 thru 18)	15,369,711	15,594,600	16,811,575	2,647,185
20.	Patronage Capital & Operating Margins (1 minus 19)	(1,425)	143,924	348,032	87,349
21.	Non Operating Margins - Interest	35,169	15,067	33,782	2,862
22.	Allowance for Funds Used During Construction	0	0	0	0
23.	Income (Loss) from Equity Investments	0	0	0	0
24.	Non Operating Margins - Other	11,574	(2,267)	(4,372)	(320)
25.	Generation and Transmission Capital Credits	0	0	0	0
26.	Other Capital Credits and Patronage Dividends	31,487	16,616	31,569	0
27.	Extraordinary Items	0	0	0	0
28.	Patronage Capital or Margins (20 thru 27)	76,805	173,339	409,011	89,891

Part B. Data on Transmission and Distribution Plant

	ITEM	Year-to-Date	Year-to-Date
		Last Year	This Year
		(a)	(b)
1.	New Services Connected	91	70
2.	Services Retired	13	16
3.	Total Services in Place	17,137	17,342
4.	Idle Services (Exclude Seasonals)	1,971	2,063
5.	Miles Transmission	0.00	0.00
6.	Miles Distribution - Overhead	1,874.64	1,883.64
7.	Miles Distribution - Underground	193.36	198.07
8.	Total Miles Energized (5+6+7)	2,068.00	2,081.70

USDA-RUS FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION KY0030 PERIOD ENDED 05/2009	
Part C. Balance Sheet			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	62,995,045	29. Memberships	0
2. Consturction Work in Progress	523,376	30. Patronage Capital	23,343,501
3. Total Utility Plant (1+2)	63,518,421	31. Operating Margins - Prior Years	443,248
4. Accum. Provision for Depreciation and Amort.	11,075,551	32. Operating Margins - Current Years	160,540
5. Net Utility Plant (3-4)	52,442,870	33. Non-Operating Margins	794,648
6. Non-Utility Property (Net)	0	34. Other Margins and Equities	552,488
7. Investments in Subsidiary Companies	826,036	35. Total Margins & Equities (29 thru 34)	25,294,424
8. Invest. In Assoc. Org. - Patronage Capital	6,959,903	36. Long-Term Debt - RUS (NET)	15,146,299
9. Invest. In Assoc. Org. - Other - General Funds	0	(Payments - Unapplied)	
10. Invest. In Assoc. Org. - Other - Nongeneral Funds	702,507	37. Long-Term Debt - RUS - Econ. Devel. (Net)	0
11. Investments in Economic Development Projects	161,000	38. Long-Term Debt - FFB - RUS Guaranteed	15,706,721
12. Other Investments	84,656	39. Long-Term Debt - Other - RUS Guaranteed	0
13. Special Funds	0	40. Long-Term Debt Other (Net)	3,793,469
14. Total Other Property & Investments (6 thru 13)	8,734,103	41. Total Long-Term Debt (36 thru 40)	34,646,489
15. Cash - General Funds	1,393,263	42. Obligations Under Capital Leases - Noncurrent	0
16. Cash - Construction Funds - Trustee	0	43. Accumulated Operating Provisions and Asset Retirement Obligations	1,880,607
17. Special Deposits	425	44. Total Other Noncurrent Liabilities (42+43)	1,880,607
18. Temporary Investments	5,459	45. Notes Payable	0
19. Notes Receivable (Net)	0	46. Accounts Payable	3,449,059
20. Accounts Receivable - Sales of Energy (Net)	3,085,812	47. Consumers Deposits	381,870
21. Accounts Receivable - Other (Net)	1,053,972	48. Current Maturities Long-Term Debt	0
22. Materials and Supplies - Electric & Other	262,239	49. Current Maturities Long-Term Debt-Economic Development	0
23. Prepayments	120,287	50. Current Maturities Capital Leases	0
24. Other Current and Accrued Assets	4,311	51. Other Current and Accrued Liabilities	647,457
25. Total Current and Accrued Assets (15 thru 24)	5,925,767	52. Total Current & Accrued Liabilities (45 thru 51)	4,478,387
26. Regulatory Assets	0	53. Regulatory Liabilities	0
27. Other Deferred Debits	86,495	54. Other Deferred Credits	889,328
28. Total Assets and Other Debits (5+14+25+ thru 27)	67,189,235	55. Total Liabilities and Other Credits (35+41+44+52 thru 54)	67,189,235

USDA-RUS FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION
	KY0030
	PERIOD ENDED
	06/2009

Part A. Statement of Operations

ITEM	Year-to-Date	Year-to-Date	Year-to-Date	This Month
	Last Year	This Year	Budget	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital	18,325,709	18,825,181	20,462,996	3,086,657
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	14,347,388	14,383,080	16,020,888	2,247,089
4. Transmission Expense	0	0	0	0
5. Distribution Expense - Operation	677,351	666,257	674,967	114,342
6. Distribution Expense - Maintenance	701,093	923,770	673,711	170,603
7. Customer Accounts Expense	363,754	342,283	365,853	56,365
8. Customer Service and Informational Expense	61,277	81,077	74,893	15,049
9. Sales Expense	1,753	(45)	4,800	258
10. Administrative and General Expense	384,998	427,641	402,541	97,821
11. Total Operation & Maintenance Expense (2 thru 10)	16,537,614	16,824,063	18,217,653	2,701,527
12. Depreciation and Amortization Expense	888,479	919,670	932,588	154,545
13. Tax Expense - Property & Gross Receipts	0	0	0	0
14. Tax Expense - Other	17,304	17,832	17,333	2,972
15. Interest on Long-Term Debt	837,753	820,528	839,168	154,191
16. Interest Charged to Construction - Credit	0	0	0	0
17. Interest Expense - Other	16,478	32,542	17,086	7,369
18. Other Deductions	922	705	690	136
19. Total Cost of Electric Service (11 thru 18)	18,298,551	18,615,339	20,024,518	3,020,740
20. Patronage Capital & Operating Margins (1 minus 19)	27,158	209,841	438,478	65,917
21. Non Operating Margins - Interest	42,756	18,482	41,070	3,415
22. Allowance for Funds Used During Construction	0	0	0	0
23. Income (Loss) from Equity Investments	0	0	0	0
24. Non Operating Margins - Other	37,883	(2,851)	(9,002)	(584)
25. Generation and Transmission Capital Credits	0	0	0	0
26. Other Capital Credits and Patronage Dividends	31,487	22,968	31,569	6,352
27. Extraordinary Items	0	0	0	0
28. Patronage Capital or Margins (20 thru 27)	139,284	248,440	502,115	75,100

Part B. Data on Transmission and Distribution Plant

ITEM	Year-to-Date	Year-to-Date
	Last Year	This Year
	(a)	(b)
1. New Services Connected	110	84
2. Services Retired	16	23
3. Total Services in Place	17,153	17,349
4. Idle Services (Exclude Seasonals)	1,947	2,049
5. Miles Transmission	0.00	0.00
6. Miles Distribution - Overhead	1,875.66	1,885.23
7. Miles Distribution - Underground	193.83	198.24
8. Total Miles Energized (5+6+7)	2,069.49	2,083.47

USDA-RUS FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION KY0030	
		PERIOD ENDED 06/2009	
Part C. Balance Sheet			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	63,307,301	29. Memberships	0
2. Consturction Work in Progress	470,867	30. Patronage Capital	23,336,138
3. Total Utility Plant (1+2)	63,778,168	31. Operating Margins - Prior Years	443,248
4. Accum. Provision for Depreciation and Amort.	11,192,413	32. Operating Margins - Current Years	232,809
5. Net Utility Plant (3-4)	52,585,755	33. Non-Operating Margins	797,479
6. Non-Utility Property (Net)	0	34. Other Margins and Equities	556,729
7. Investments in Subsidiary Companies	826,036	35. Total Margins & Equities (29 thru 34)	25,366,403
8. Invest. In Assoc. Org. - Patronage Capital	6,959,903	36. Long-Term Debt - RUS (NET)	15,115,002
9. Invest. In Assoc. Org. - Other - General Funds	0	(Payments - Unapplied)	0
10. Invest. In Assoc. Org. - Other - Nongeneral Funds	702,507	37. Long-Term Debt - RUS - Econ. Devel (Net)	0
11. Investments in Economic Development Projects	156,000	38. Long-Term Debt - FFB - RUS Guaranteed	15,628,164
12. Other Investments	91,008	39. Long-Term Debt - Other - RUS Guaranteed	0
13. Special Funds	0	40. Long-Term Debt Other (Net)	3,793,469
14. Total Other Property & Investments (6 thru 13)	8,735,455	41. Total Long-Term Debt (36 thru 40)	34,536,634
15. Cash - General Funds	1,573,691	42. Obligations Under Capital Leases - Noncurrent	0
16. Cash - Construction Funds - Trustee	0	43. Accumulated Operating Provisions and Asset Retirement Obligations	1,882,423
17. Special Deposits	425	44. Total Other Noncurrent Liabilities (42+43)	1,882,423
18. Temporary Investments	6,180	45. Notes Payable	0
9. Notes Receivable (Net)	0	46. Accounts Payable	3,965,341
20. Accounts Receivable - Sales of Energy (Net)	3,153,349	47. Consumers Deposits	384,195
21. Accounts Receivable - Other (Net)	1,072,001	48. Current Maturities Long-Term Debt	0
22. Materials and Supplies - Electric & Other	280,203	49. Current Maturities Long-Term Debt-Economic Development	0
23. Prepayments	103,221	50. Current Maturities Capital Leases	0
24. Other Current and Accrued Assets	7,067	51. Other Current and Accrued Liabilities	595,082
25. Total Current and Accrued Assets (15 thru 24)	6,196,138	52. Total Current & Accrued Liabilities (45 thru 51)	4,944,618
26. Regulatory Assets	0	53. Regulatory Liabilities	0
27. Other Deferred Debits	101,485	54. Other Deferred Credits	888,755
28. Total Assets and Other Debits (5+14+25+ thru 27)	67,618,833	55. Total Liabilities and Other Credits (35+41+44+52 thru 54)	67,618,833

USDA-RUS FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION
	KY0030
	PERIOD ENDED
	07/2009

Part A. Statement of Operations

	ITEM	Year-to-Date	Year-to-Date	Year-to-Date	This Month
		Last Year	This Year	Budget	
		(a)	(b)	(c)	
1.	Operating Revenue and Patronage Capital	21,403,055	21,926,024	23,894,574	3,100,843
2.	Power Production Expense	0	0	0	0
3.	Cost of Purchased Power	16,978,570	16,623,324	18,958,975	2,240,244
4.	Transmission Expense	0	0	0	0
5.	Distribution Expense - Operation	785,858	768,510	780,924	102,253
6.	Distribution Expense - Maintenance	893,750	1,109,205	807,649	185,435
7.	Customer Accounts Expense	418,084	402,106	414,247	59,823
8.	Customer Service and Informational Expense	74,086	95,656	93,832	14,579
9.	Sales Expense	2,076	130	5,150	175
10.	Administrative and General Expense	465,354	534,734	485,357	107,093
11.	Total Operation & Maintenance Expense (2 thru 10)	19,617,779	19,533,665	21,546,134	2,709,602
12.	Depreciation and Amortization Expense	1,038,167	1,074,575	1,089,708	154,905
13.	Tax Expense - Property & Gross Receipts	0	0	0	0
14.	Tax Expense - Other	20,188	20,804	20,222	2,972
15.	Interest on Long-Term Debt	981,453	965,248	983,888	144,720
16.	Interest Charged to Construction - Credit	0	0	0	0
17.	Interest Expense - Other	18,352	40,845	19,054	8,303
18.	Other Deductions	1,140	923	914	218
19.	Total Cost of Electric Service (11 thru 18)	21,677,079	21,636,060	23,659,920	3,020,720
20.	Patronage Capital & Operating Margins (1 minus 19)	(274,024)	289,964	234,654	80,123
21.	Non Operating Margins - Interest	49,586	21,488	47,631	3,007
22.	Allowance for Funds Used During Construction	0	0	0	0
23.	Income (Loss) from Equity Investments	0	0	0	0
24.	Non Operating Margins - Other	64,417	4,848	(13,417)	7,699
25.	Generation and Transmission Capital Credits	0	0	0	0
26.	Other Capital Credits and Patronage Dividends	31,487	24,934	31,569	1,966
27.	Extraordinary Items	0	0	0	0
28.	Patronage Capital or Margins (20 thru 27)	(128,533)	341,235	300,437	92,795

Part B. Data on Transmission and Distribution Plant

	ITEM	Year-to-Date	Year-to-Date
		Last Year	This Year
		(a)	(b)
1.	New Services Connected	140	99
2.	Services Retired	17	33
3.	Total Services in Place	17,182	17,354
4.	Idle Services (Exclude Seasonals)	1,961	2,022
5.	Miles Transmission	0.00	0.00
6.	Miles Distribution - Overhead	1,876.29	1,885.51
7.	Miles Distribution - Underground	194.49	198.48
8.	Total Miles Energized (5+6+7)	2,070.78	2,083.99

USDA-RUS FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION KY0030	
		PERIOD ENDED 07/2009	
Part C. Balance Sheet			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	63,478,258	29. Memberships	0
2. Consturction Work in Progress	498,796	30. Patronage Capital	23,326,535
3. Total Utility Plant (1+2)	63,977,053	31. Operating Margins - Prior Years	443,248
4. Accum. Provision for Depreciation and Amort.	11,336,003	32. Operating Margins - Current Years	314,898
5. Net Utility Plant (3-4)	52,641,050	33. Non-Operating Margins	808,185
6. Non-Utility Property (Net)	0	34. Other Margins and Equities	563,291
7. Investments in Subsidiary Companies	826,036	35. Total Margins & Equities (29 thru 34)	25,456,157
8. Invest. In Assoc. Org. - Patronage Capital	6,959,903	36. Long-Term Debt - RUS (NET)	15,085,335
9. Invest. In Assoc. Org. - Other - General Funds	0	(Payments - Unapplied)	0
10. Invest. In Assoc. Org. - Other - Nongeneral Funds	702,507	37. Long-Term Debt - RUS - Econ. Devel (Net)	0
11. Investments in Economic Development Projects	451,000	38. Long-Term Debt - FFB - RUS Guaranteed	15,628,164
12. Other Investments	91,008	39. Long-Term Debt - Other - RUS Guaranteed	0
13. Special Funds	0	40. Long-Term Debt Other (Net)	3,793,469
14. Total Other Property & Investments (6 thru 13)	9,030,455	41. Total Long-Term Debt (36 thru 40)	34,506,968
15. Cash - General Funds	1,389,790	42. Obligations Under Capital Leases - Noncurrent	0
16. Cash - Construction Funds - Trustee	0	43. Accumulated Operating Provisions and Asset Retirement Obligations	1,895,285
17. Special Deposits	425	44. Total Other Noncurrent Liabilities (42+43)	1,895,285
18. Temporary Investments	930,613	45. Notes Payable	0
9. Notes Receivable (Net)	0	46. Accounts Payable	4,456,074
20. Accounts Receivable - Sales of Energy (Net)	3,127,546	47. Consumers Deposits	386,110
21. Accounts Receivable - Other (Net)	552,185	48. Current Maturities Long-Term Debt	0
22. Materials and Supplies - Electric & Other	295,332	49. Current Maturities Long-Term Debt-Economic Development	0
23. Prepayments	74,098	50. Current Maturities Capital Leases	0
24. Other Current and Accrued Assets	9,436	51. Other Current and Accrued Liabilities	561,017
25. Total Current and Accrued Assets (15 thru 24)	6,379,425	52. Total Current & Accrued Liabilities (45 thru 51)	5,403,201
26. Regulatory Assets	0	53. Regulatory Liabilities	0
27. Other Deferred Debits	107,695	54. Other Deferred Credits	897,015
28. Total Assets and Other Debits (5+14+25+ thru 27)	68,158,625	55. Total Liabilities and Other Credits (35+41+44+52 thru 54)	68,158,625

**SHELBY ENERGY COOPERATIVE
CASE NO. 2009-00410**

COST OF SERVICE STUDY

November 2009 - J. Adkins

SHELBY ENERGY COOPERATIVE
CASE NO. 2009-00410

TEST YEAR REVENUE REQUIREMENTS

TEST YEAR EXPENSES										
1			Actual	Adjust.	Adjustments	Adjust.10.	Adjust.	Adjust.	Sum of	Adjusted
2	Acct	Description	Test Year	Based on	5, 8, 9,	10-12	Deprec.	Prop. Taxes	Test Year	Test Year
3	No.			Payroll	15 & 16	Mis. Gen Exp			Adjustments	
4				(a)						
5									6,151,964	29,508,733
6	555	Purchased Power			6,151,964				(5,413,678)	-
7		Base Rates	23,356,769		(5,413,678)				738,286	29,508,733
8		FAC & ES Clauses	5,413,678		738,286					
9		Total Purchased Power	28,770,447						8,646	98,474
10										
11	580	Operations Supv & Eng	89,828	8,646					-	-
12	582	Station Expense							8,164	477,840
13	583	Overhead Line Exp.	469,676	8,164						14,947
14	584	Underground Line Exp	14,947							604
15	585	Street Lights	604						21,969	299,707
	586	Meter Expense	277,738	21,969					5,270	60,638
16	587	Consumer Installations	55,368	5,270			(921)	22,715	27,392	356,401
17	588	Misc. Distribution Exp	329,009	5,598						
18	589	Rents					(921)	22,715	71,441	1,308,612
19		Total Dist. Operations	1,237,171	49,647					1,675	22,238
20										
21	590	Maint Supv & Eng	20,563	1,675						
22	592	Maint of Station Equip							69,551	1,484,239
23	593	Maint. Overhead Lines	1,414,688	69,551					3,711	49,650
24	594	Maint of Underground Lin	45,939	3,711					4	100,654
25	595	Maint Line Transformers	100,650	4						
26	596	Maint of St Lg & Signal S		0					462	37,531
27	597	Maintenance of Meters	37,069	462			(1,647)		4,895	84,653
28	598	Maint Misc Distrib Plant	79,758	6,542			(1,647)		80,298	1,778,966
29		Total Dist. Maint.	1,698,668	81,945					4,677	51,794
30									5,832	326,264
31	901	Supervision	47,117	4,677					10,588	296,112
32	902	Meter Reading Expense	320,432	5,832			(423)			77,416
33	903	Cons Recds & Collection	285,524	11,011						
34	904	Uncollectible Accounts	77,416				(423)		21,097	751,586
35		Total Consum Accts	730,489	21,520						

SHELBY ENERGY COOPERATIVE
CASE NO. 2009-00410

TEST YEAR REVENUE REQUIREMENTS

TEST YEAR EXPENSES										
1										
2			Actual	Adjust.	Adjustments	Adjust. 10,			Sum of	
3	Acct	Description	Test Year	Based on	5, 8, 9,	10-12	Adjust.	Adjust.	Test Year	Adjusted
4	No.			Payroll	15 & 16	Mis. Gen Exp	Deprec.	Prop. Taxes	Adjustments	Test Year
36									2,846	31,492
37	907	Customer Information	28,645	2,846			(350)	-	6,200	91,784
38	908	Customer Accounting	85,584	6,550					699	21,838
39	909	Consumer Information	21,139	699					1,083	22,168
	910	Mis. Customer Informatio	21,085	1,083					248	3,603
40	912	Demonstration & Advertis	3,355	248			(350)	-	11,076	170,884
41		Total Customer Serv.	159,808	11,426	-	-	(350)	-		
42									19,048	236,401
43	920	Administrative Salaries	217,353	19,048					1,763	21,545
44	921	Office Supplies	19,782	1,763					(60,989)	154,331
45	923	Outside Services	215,320		(60,989)				-	-
46	924	Property Ins	-	-					-	(2,214)
47	925	Injuries & Damages	(2,214)						-	-
48	926	Employ Pensions & Bene	-						-	-
49	928	Regulatory Exp	-						-	-
50	929	Duplicate Charges	-						-	-
51	930	Misc General Exp	380,456	3,664		(63,646)	(601)	1,744	(58,839)	321,617
52	931	Rents	5,700						130	93,535
53	935	Maintenance of Gen. Plan	93,405	130					(98,886)	830,915
54		Total Admin & General	929,801	24,606	(60,989)	(63,646)	(601)	1,744		
55									42,160	1,808,664
56	403.6	Deprec. Distribution Plant	1,766,504				42,160		42,160	63,840
57	403.7	Deprec. General Plant	63,209				631		631	1,872,504
58		Total Depreciation	1,829,713	-	-	-	42,791	-	42,791	
59									-	35,224
60	408.1	Property Taxes	35,224						-	-
61	408.6	PSC Assessment	-						(3,562)	0
62	16&42	Miscell. Income Deductio	3,562		(3,562)				(3,562)	35,224
63		Total Miscellaneous	38,786	-	(3,562)	-	-	-		
64									-	692,438
65	427.1	Interest - RUS Constuc	692,438						35,241	778,499
66	427.1	Interest - FFB Notes	743,258		35,241				-	217,114
67	427.2	Interest - Other LTD	217,114						35,241	1,688,052
68		Total Interest on LTD	1,652,811	-	35,241	-	-	-		

**SHELBY ENERGY COOPERATIVE
CASE NO. 2009-00410**

TEST YEAR REVENUE REQUIREMENTS

TEST YEAR EXPENSES										
1	2	3	4	Adj.	Adjustments	Adjust. 10.	Adjust.	Adjust.	Sum of	Adjusted
69	70	71	72	Actual	5, 8, 9,	10-12	Deprec.	Prop. Taxes	Test Year	Test Year
73	74	75	76	Test Year	15 & 16	Mis. Gen Exp			Adjustments	
77	78	79	80							(0)
81	82	83	84						(32,654)	22,170
69				32,654					-	-
70	430	Interest to Assoc. Org.		22,170	-				(32,654)	22,169
71	431	Interest on Customer Dep		-					-	-
72	431.2	Other Interest		54,823		(32,654)			-	-
73		Total ST Interest							865,128	37,967,646
74					189,144	676,322	(63,646)	38,849	35,241	1,688,052
75		Total Costs		37,102,518		35,241			900,369	39,655,698
76		Margin Requirements		1,852,811			(63,646)	38,849		
77		Total Revenue Require.		38,755,328	189,144	711,563		24,459		
78										470,227
79		Less; Misc Income							(15,338)	(15,338)
80	450	Forfeited Discounts		470,227		(15,338)			-	212,470
81	418	Misc Service Revenue		-					34,659	51,698
82	454	Rent from Electric Prop.		212,470		34,659			19,321	719,057
83	456.1	Other Electric Income		17,039		19,321				
84		Total Misc Income		699,736						
85										50,722
86		Less: Other Income								47,983
87	418	Equity Earnings of Subsic		50,722						(116,105)
88	419	Interest Income		47,983					(350,180)	91,685
89	421	Misc. Non-operating Inco		(116,105)		(350,180)			(350,180)	74,286
90	424	Other Capital Credits		441,865		(350,180)				
91		Total Other Income		424,466						
92									1,231,228	38,862,355
93		Revenue Requirements					(63,646)	38,849		
94		from Rates		37,631,127	189,144	1,042,422		24,459		

**SHELBY ENERGY COOPERATIVE
CASE NO. 2009-00410**

PAYROLL INFORMATION FOR TEST PERIOD

a. Adjustments Allocated on Payroll				Adj. 1	Adj. 2	Adj. 6	Adj. 7	
<u>Acct.</u>	<u>Description</u>	<u>Amount</u>	<u>Percent</u>	<u>Wages & Salaries</u>	<u>Payroll Taxes</u>	<u>FAS 106</u>	<u>Retirement</u>	<u>Total</u>
		56,141	17.42%	2,631	232	350	5,434	8,646
580	Operations Supervision	-	0.00%	-	-	-	-	-
582	Sations	53,011	16.44%	2,484	219	330	5,131	8,164
583	Overhead Lines	-	0.00%	-	-	-	-	-
584	Underground Lines	142,649	44.25%	6,684	590	888	13,806	21,969
586	Meters	34,219	10.61%	1,603	142	213	3,312	5,270
587	Installations	36,348	11.28%	1,703	150	226	3,518	5,598
588	Miscellaneous Distribution	322,368	100%	15,106	1,334	2,007	31,200	49,647
		10,876	2.04%	510	45	68	1,053	1,675
590	Maintenance Supervision	451,611	84.88%	21,162	1,869	2,812	43,708	69,551
593	Overhead Lines	24,097	4.53%	1,129	100	150	2,332	3,711
594	Underground Lines	28	0.01%	1	0	0	3	4
595	Transformers	2,997	0.56%	140	12	19	290	462
597	Street Lights	42,479	7.98%	1,991	176	264	4,111	6,542
598	Miscellaneous Maintenace	532,088	100%	24,933	2,202	3,313	51,497	81,945
		30,366	21.73%	1,423	126	189	2,939	4,677
901	Supervision	37,867	27.10%	1,774	157	236	3,665	5,832
902	Meter Reading	58,232	41.67%	2,729	241	363	5,636	8,968
903	Consumer Records	13,267	9.49%	622	55	83	1,284	2,043
904	Consumer Records	139,732	100%	6,548	578	870	13,524	21,520
		18,483	24.91%	866	76	115	1,789	2,846
907	Supervision, Customer Service	42,529	57.32%	1,993	176	265	4,116	6,550
908	Consumer Accounting	4,540	6.12%	213	19	28	439	699
909	Consumer Information	7,033	9.48%	330	29	44	681	1,083
910	Mis. Customer Information	1,608	2.17%	75	7	10	156	248
912	Customer Demonstrations	-	-	-	-	-	-	-
913	Advertising	74,193	100%	3,476	307	462	7,181	11,426
		123,684	77.41%	5,796	512	770	11,970	19,048
920	Administrative	11,448	7.17%	536	47	71	1,108	1,763
926	Employee Benefits	23,794	14.89%	1,115	98	148	2,303	3,664
930	Misc. General Expenses	847	0.53%	40	4	5	82	130
935	Maintenance Gernal Plant	159,773	100%	7,487	661	995	15,463	24,606
				57,550	5,082	7,647	118,865	378,288

SHELBY ENERGY COOPERATIVE
CASE NO. 2009-00410
FUNCTIONALIZATION OF TEST YEAR EXPENSES

FOOTNOTES								
1	Line Expenses are Allocated between Lines and Services Based on Plant Investment.	\$\$\$	%					
	Poles and Conductor	39,006,359	80.84%					
	Total	9,242,035	19.16%					
		48,248,394	100.00%					
2	Allocation of Dist. Oper. Supervision & Miscellaneous Expenses	Actual	%		Superv	Miscell. Exp.	Rents	
		398,393	46.66%		45,953	166,313	-	
	Lines	-	0.00%		-	-	-	
	Transformers	94,394	11.06%		10,888	39,406	-	
	Services	300,312	35.18%		34,640	125,368	-	
	Meters	-	0.00%		-	-	-	
	Cons. Services & Accounting	60,638	7.10%		6,994	25,314	-	
	Security Lighting	-	0.00%		-	-	-	
	Street Lighting	853,737	92.9%		98,474	356,401	-	
3	Allocation of Dist. Maint. Supervision & Miscellaneous Expenses	Actual	%		Superv	Misc. Exp.		
		1,240,071	74.16%		16,493	62,782		
	Lines	100,654	6.02%		1,339	5,096		
	Transformers	293,818	17.57%		3,908	14,875		
	Services	37,531	2.24%		499	1,900		
	Meters	-	0.00%		-	-		
	Cons. Services & Accounting	-	0.00%		-	-		
	Security Lighting	-	0.00%		-	-		
	Street Lighting	1,672,074	100%		22,238	84,653		
4	General Plant Allocation Comes From the Rate Base Schedule Line General Plant Percent							
5	Rate Base Allocation Comes from the Rate Base Schedule Line Rate Base Percent.							
6	Overhead O&M Expense Allocation to Lines, Services & Lighting			Outdoor Lighting		Outdoor Lighting		
	Rate Base Data	Total	Lines	Services		Lines	Services	
					162,582			1.0%
	Poles, Towers and Fixtures	17,024,566	16,861,984			99.0%		
	Overhead Conductor	307,519	307,519			100.0%		
Services	9,242,035		9,242,035			100.0%	0.0%	
	26,574,120	17,169,503	9,242,035	162,582		64.6%	34.8%	0.6%

SHELBY ENERGY COOPERATIVE
CASE NO. 2009-00410
FUNCTIONALIZATION OF TEST YEAR EXPENSES

FOOTNOTES										
Acct.	Description	Amount	Lines	Trans- formers	Services	Meters	Consumer Services & Accounting	Security Lighting	Street Lighting	Total
										-
582	Stations	-	-							53,011
583	Overhead Lines	53,011	53,011							-
584	Underground Lines	-	-							142,649
586	Meters	142,649				142,649		34,219		34,219
587	Installations	34,219						34,219		229,879
		229,879	53,011	-	-	142,649	-	34,219	-	1
			23.06%			62.05%		14.89%		36,348
588	Miscellaneous Distribution	36,348	8,382			22,555		5,411		56,141
580	Operations Supervision	56,141	12,946			34,838		8,357		92,489
		92,489	21,328	-	-	57,393	-	13,768	-	322,368
		322,368	74,339	-	-	200,042	-	47,987	-	451,611
593	Overhead Lines	451,611	451,611							24,097
594	Underground Lines	24,097	24,097							28
595	Transformers	28		28				2,997		2,997
597	Street Lights	2,997						2,997		478,733
		478,733	475,708	28	-	-	0.00%	0.63%	0.00%	100.00%
			99.37%	0.01%	0.00%	0.00%	0.00%	68		10,876
590	Maintenance Supervision	10,876	10,807	1	-	-	-	266		42,479
598	Miscellaneous Maintenance	42,479	42,211	2	-	-	-	334		53,355
		53,355	53,018	3	-	-	-	3,331		532,088
		532,088	528,726	31	-	-	-			30,366
901	Supervision	30,366					30,366			37,867
902	Meter Reading	37,867					37,867			71,499
903	Consumer Records	71,499					71,499			139,732
		139,732					139,732			18,483
907	Supervision, Customer Service	18,483					18,483			42,529
908	Consumer Accounting	42,529					42,529			4,540
909	Consumer Information	4,540					4,540			7,033
910	Mis. Customer Information	7,033					7,033			1,608
912	Customer Demonstrations	1,608					1,608			-
913	Advertising	-					-			74,193
		74,193					74,193			1,068,381
		1,068,381	603,065	31	-	200,042	213,925	51,318	-	100.00%
			56.45%	0.00%	0.00%	18.72%	20.02%	4.80%	0.00%	

**SHELBY ENERGY COOPERATIVE
CASE NO. 2009-00410**

Exhibit R
Schedule 2
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Witness: Jim Adkins

FUNCTIONALIZATION SUMMARY

Expense	Adjusted Expenses	Purchased Power	Lines	Transformers	Services
Purchased Power	29,508,733	29,508,733			
Distribution Operations	1,308,612		610,659	-	144,688
Distribution Maintenance	1,778,966		1,319,346	107,089	312,601
Consumer Accounts	751,586				
Customer Service	170,884				
Administrative & General	830,915		469,024	24	-
Depreciation	1,872,504		1,211,104	261,550	277,261
Miscellaneous	35,224		22,644	4,838	5,128
Interest on Long Term Debt	1,688,052		1,088,084	236,972	251,207
Short Term Interest	22,170		14,290	3,112	3,299
Total Costs	37,967,646	29,508,733	4,735,150	613,586	994,185
Margin Requirements	1,688,052	-	1,088,084	236,972	251,207
Revenue Requirements	39,655,698	29,508,733	5,823,234	850,558	1,245,392

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FUNCTIONALIZATION SUMMARY

Expense	<u>Meters</u>	<u>Consumer Services & Accounting</u>	<u>Outdoor Lighting</u>	<u>Street Lighting</u>	Total
Purchased Power					29,508,733
Distribution Operations	460,319	-	92,946	-	1,308,612
Distribution Maintenance	39,930	-	-	-	1,778,966
Consumer Accounts		751,586			751,586
Customer Service		170,884			170,884
Administrative & General	155,579	166,377	39,911	-	830,915
Depreciation	55,704	12,783	54,102	-	1,872,504
Miscellaneous	1,141	354	1,119	-	35,224
Interest on Long Term Debt	48,879	9,880	53,029	-	1,688,052
Short Term Interest	642	130	696	-	22,170
Total Costs	762,194	1,111,994	241,804	-	37,967,646
Margin Requirements	48,879	9,880	53,029	-	1,688,052
Revenue Requirements	811,073	1,121,874	294,833	-	39,655,698

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RATE BASE ALLOCATION

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				Distribution Plant Balances					Consumer & Accounting Services	Outdoor Lighting
Plant Account	Description	\$\$\$	Lines	Transformers	Services	Meters				
301	Organization	-	-							
360	Land and land rights	-	-							
364	Poles, towers & fixtures	18,496,901	18,496,901						162,582	
365	Overhead conductors & devices	17,024,566	16,861,984							
366	Underground conduit	307,519	307,519							
367	Underground conductor & devices	3,339,955	3,339,955							
368	Line transformers	8,718,269		8,718,269						
369	Services	9,242,035			9,242,035					
370	Meters	1,458,360				1,458,360				
370.1	Meters, AMR	-							1,642,267	
371	Installations on customer premises	1,642,267							58,916	
373	Street lights	58,916							1,863,765	
	Total Distribution Plant	60,288,788	39,006,359	8,718,269	9,242,035	1,458,360	-	-	3.1%	
	Distribution Plant Percent	100.00%	64.7%	14.5%	15.3%	2.4%	0.0%			
	Total General Plant	3,190,044	1,800,673	93	-	597,299	638,752	153,228		
	General Plant Percent	100.00%	56.4%	0.0%	0.0%	18.7%	20.0%	4.8%		
	Total Utility Plant	63,478,832	40,807,032	8,718,362	9,242,035	2,055,659	638,752	2,016,993		
	Utility Plant Percent	100.00%	64.28%	13.73%	14.56%	3.24%	1.01%	3.18%		
	Accum. Depreciation									
	Distribution Plant	9,731,959	6,296,499	1,407,324	1,491,871	235,412	-	300,853		
	General Plant	1,679,194	947,849	49	-	314,410	336,230	80,657		
	Net Plant	52,067,678	33,562,684	7,310,989	7,750,164	1,505,837	302,522	1,635,482		
	Net Plant Percent	100.00%	64.46%	14.04%	14.88%	2.89%	0.58%	3.14%		
	CWIP	498,222	322,346	72,047	76,375	12,052	-	15,402		
	Subtotal	52,565,900	33,885,029	7,383,036	7,826,539	1,517,889	302,522	1,650,884		
	Plus									
	Cash Working Capital	594,492	383,221	83,498	88,514	17,167	3,421	18,671		
	Materials & Supplies	310,666	200,262	43,634	46,255	8,971	1,788	9,757		
	Prepayments	111,589	71,932	15,673	16,614	3,222	642	3,505		
	Minus: Consumer Advances	897,015	580,361	129,716	137,509	21,698	-	27,730		
	Net Investment Rate Base	52,685,632	33,960,083	7,396,126	7,840,414	1,525,550	308,373	1,655,086		
	Rate Base Percent	100.00%	64.46%	14.04%	14.88%	2.90%	0.59%	3.14%		

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CLASSIFICATION SUMMARY

	<u>Consumer Related Costs</u>	<u>Demand Related Costs</u>	<u>Energy Related Costs</u>	<u>Security Lighting</u>	<u>Street Lighting</u>	<u>Total</u>
Purchased Power	-	6,505,282	23,003,451	-		29,508,733
Lines	1,305,971	4,517,262	-	-		5,823,234
Transformers	164,213	686,345	-	-		850,558
Services	1,245,392	-	-	-		1,245,392
Meters	811,073	-		-		811,073
Consumer Services & Accounting	1,121,874	-	-			1,121,874
Lighting				294,833	-	294,833
	4,648,524	11,708,889	23,003,451	294,833	-	39,655,698

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CLASSIFICATION OF EXPENSES

		Consumer Related Costs	Demand Related Costs	Total
<u>Expense</u>	<u>Lines</u>			
Purchased Power	-	-	-	-
Distribution Operations	610,659	136,952	473,707	610,659
Distribution Maintenance	1,319,346	295,888	1,023,457	1,319,346
Consumer Accounts	-	-	-	-
Customer Service	-	-	-	-
Administrative & General	469,024	105,188	363,836	469,024
Depreciation	1,211,104	271,613	939,491	1,211,104
Miscellaneous	22,644	5,078	17,565	22,644
Interest on Long Term Debt	1,088,084	244,024	844,060	1,088,084
Short Term Interest	14,290	3,205	11,085	14,290
Total Costs	4,735,150	1,061,948	3,673,202	4,735,150
Margin Requirements	1,088,084	244,024	844,060	1,088,084
Revenue Requirements	<u>5,823,234</u>	<u>1,305,971</u>	<u>4,517,262</u>	<u>5,823,234</u>
		Consumer Related Costs	Demand Related Costs	
<u>Expense</u>	<u>2 Transformers</u>			<u>Total</u>
Purchased Power	-	-	-	-
Distribution Operations	-	-	-	-
Distribution Maintenance	107,089	20,675	86,414	107,089
Consumer Accounts	-	-	-	-
Customer Service	-	-	-	-
Administrative & General	24	5	20	24
Depreciation	261,550	50,496	211,054	261,550
Miscellaneous	4,838	934	3,904	4,838
Interest on Long Term Debt	236,972	45,751	191,221	236,972
Short Term Interest	3,112	601	2,511	3,112
Total Costs	613,586	118,462	495,124	613,586
Margin Requirements	236,972	45,751	191,221	236,972
Revenue Requirements	<u>850,558</u>	<u>164,213</u>	<u>686,345</u>	<u>850,558</u>
		Energy Related Costs	Demand Related Costs	
Purchased Power	29,508,733	23,003,451	6,505,282	29,508,733

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CLASSIFICATION OF EXPENSES

	Consumer Related Costs			
			Consumer Services & Accounting	
Expense	Services	Meters	Accounting	Total
Purchased Power	-	-	-	-
Distibution Operations	144,688	460,319	-	605,007
Distribution Maintenance	312,601	39,930	-	352,531
Consumer Accounts	-	-	751,586	751,586
Customer Service	-	-	170,884	170,884
Administative & General	-	155,579	166,377	321,956
Depreciation	277,261	55,704	12,783	345,748
Miscellaneous	5,128	1,141	354	6,624
Interest on Long Term Debt	251,207	48,879	9,880	309,967
Short Term Interest	3,299	642	130	4,071
Total Costs	994,185	762,194	1,111,994	2,868,373
Margin Requirements	251,207	48,879	9,880	309,967
Revenue Requirements	1,245,392	811,073	1,121,874	3,178,339
		6		
		Lighting		
Expense				
Purchased Power		-		
Distibution Operations		92,946		
Distribution Maintenance		-		
Consumer Accounts		-		
Customer Service		-		
Administative & General		39,911		
Depreciation		54,102		
Miscellaneous		1,119		
Interest on Long Term Debt		53,029		
Short Term Interest		696		
Total Costs		241,804		
Margin Requirements		53,029		
Revenue Requirements		294,833		

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DEMAND AND CONSUMER RELATED INVESTMENTS

ACCOUNT 64 - POLES					
1. Actual Data					
Poles	Size	Investment	Number of Units	Unit Cost	
35' & less	30	2,567,276	14,935	171.90	
40' & 45"	42.5	8,426,740	18,958	444.50	
50' & over	55	660,004	1,258	524.65	
Subtotal		11,654,020	35,151.00		
Other Investment for this Account		6,842,881			
Total Investment		18,496,901	35,151.00		
2. Demand and Consumer Investment Percents					
Use Minimum Size				171.90	
Number of poles				35,151.00	
Consumer Related Investment				6,042,338	
Total Investment				18,496,901	
Percent Customer Related				32.67%	
Percent Demand Related				67.33%	
ACCOUNT 365 - OVERHEAD CONDUCTOR					
1. Actual Data					
Conductor	Investment	Number of Units		Unit Cost	
Duplex	34,996	87,156		\$ 0.4015	
Triplex	1,008,724	555,737		\$ 1.8151	
#2 ACSR	4,463,340	8,643,526		\$ 0.5164	
#4 ACSR	87,263	1,179,584		\$ 0.0740	
#1/0 ACSR	719,762	1,758,575		\$ 0.4093	
#3/0 ACSR	216,683	1,023,832		\$ 0.2116	
#4/0 ACSR	657,631	1,030,946		\$ 0.6379	
336.4 ACSR	1,232,146	1,646,433		\$ 0.7484	
2 ACWC	15,631	149,071		\$ 0.1049	
4 ACWC	2,419	39,451		\$ 0.0613	
8 ACWC	145,684	1,468,002		\$ 0.0992	
6 ACWC	58,111	898,115		\$ 0.0647	

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DEMAND AND CONSUMER RELATED INVESTMENTS

ACCOUNT 365 - OVERHEAD CONDUCTOR CONTINUED					
9 1/2 ACWC		1,663	54,226	\$ 0.0307	
#2, 3-7 Strand Copper		28,032	314,394	\$ 0.0892	
4-3 Strand Copper		29,822	445,246	\$ 0.0670	
#6 Strand Copper		166	1,528	\$ 0.1085	
1/0 7 Strand Copper		10,494	81,873	\$ 0.1282	
4/0 Quadraplex		17,090	5,591	\$ 3.0567	
2/0 Neutral Copper		50	50	\$ 1.0042	
350 MCM Cpper		893	610	\$ 1.4640	
500 MCM Secondary		9,336	1,897	\$ 4.9215	
#477 MCM XLP - A-1		4,350	1,584	\$ 2.7462	
1/0 Solid-ALXLP Conductor		374	290	\$ 1.2902	
SUBTOTAL		8,744,659	19,387,717	\$ 0.4510	
All other OH Conductor Invest.		8,279,907			
TOTAL		17,024,566	19,387,717		
2. Demand and Consumer Investment Percents					
Use Minimum Size				0.09924	
Amount of Conduit				19,387,717	
Consumer Related Investment				1,924,029	
Total Investment				17,024,566	
Percent Customer Related				11.30%	
Percent Demand Related				88.70%	
Breakdown of Lines into Demand Related and Consumer Related Components					
	Total	Consumer		Demand	
	Investment	Percent	Amount	Percent	Amount
Conductor	17,024,566	11.30%	1,924,029.40	88.70%	15,100,537
Poles	18,496,901	32.67%	6,042,337.93	67.33%	12,454,563
	35,521,467		7,966,367.32		27,555,100
Percent			22.43%		77.57%

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DEMAND AND CONSUMER RELATED INVESTMENTS

Account 368-Transformers					
1. Actual Data					
Transformers		Size	Investment	Number of Units	Unit Cost
1.50		1.50	8,057	18	447.63
3.00		3.00	9,184	60	153.06
5.00		5.00	31,574	215	146.85
7.50		7.50	(4,715)	(21)	224.51
10.00		10.00	590,705	1,949	303.08
15.00	Conv	15.00	3,677,638	7,113	517.03
25.00		25.00	1,254,840	2,060	609.15
37.50		37.50	172,546	251	687.43
50.00	Conv	50.00	129,494	169	766.24
75.00		75.00	76,672.18	64	1,198.00
100.00		100.00	15,110	12	1,259.17
167.00	Conv	167.00	42,536	26	1,635.99
250.00		250.00	4,534	2	2,267.11
500.00	Conv	500.00	40,741	11	3,703.71
1,000.00	Conv	1,000.00	39,733	7	5,676.13
200.00	PAD	200.00	22,413	4	5,603.26
300.00	PAD	300.00	28,946	5	5,789.25
750.00	PAD	750.00	144,142	14	10,295.85
2500&3000	PAD	2500&3000	236,964	11	21,542.14
500.00	PAD	500.00	73,734	12	6,144.49
225.00	PAD	225.00	31,860	6	5,310.06
1,500.00	PAD	1,500.00	93,461	7	13,351.57
2,000.00	PAD	2,000.00	63,554	3	21,184.64
1,000.00	PAD	1,000.00	56,829	6	9,471.50
Subtotal			6,840,552	12,004	
All other Transformer Investment			7,020,803		
Total			13,861,355		
2. Demand and Consumer Investment Percents					
Intercept	222.937661				
X Variable 1	11.9647378				
Use Minimum Size					222.94
Number of transformers					12,004.00
Consumer Related Investment					2,676,144
Total Investment					13,861,355
Percent Customer Related					19.31%
Percent Demand Related					80.69%

SHELBY ENERGY COOPERATIVE
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ALLOCATION OF EXPENSES TO RATE CLASSES

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INITIAL RESULTS OF THE COST OF SERVICE STUDY

				1	2	Off-Peak
	Classifi- cation	Amount	Green Power	General Service	Large Power Service	Marketing ETS
Purchased Power	Demand	6,505,282		2,186,729	434,091	-
Purchased Power	Energy	23,003,451	3,285	5,724,719	2,054,553	24,550
Lines	Consumer	1,305,971		723,264	5,014	-
Lines	Demand	4,517,262		1,679,149	501,046	-
Transformers	Consumer	164,213		68,036	805	-
Transformers	Demand	686,345		224,245	66,913	-
Services	Consumer	1,245,392		681,997	4,728	337
Meters	Consumer	811,073		436,796	22,981	4,311
Consumer Services & Accounting	Consumer	1,121,874		412,970	3,586	1,909
Lighting	Lighting	294,833				
Revenue Requirements		39,655,698	3,285	12,137,905	3,093,716	31,107
SUMMARY						
				1	2	Off-Peak
				General Service	Large Power Service	Large Power Service
		Amount				
Consumer Related		4,648,524	-	2,323,064	37,114	6,557
Demand Related		11,708,889	-	4,090,123	1,002,050	-
Energy Related		23,003,451	3,285	5,724,719	2,054,553	24,550
Lighting		294,833				
Revenue Requirements		39,655,698	3,285	12,137,905	3,093,716	31,107

SHELBY ENERGY COOPERATIVE
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ALLOCATION OF EXPENSES TO RATE CLASSES

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INITIAL RESULTS OF THE COST OF SERVICE STUDY

		10	B-1	B-2	3	
	Classifi- cation	Opt. DSM Schedule	Large Industrial	Large Industrial	Outdoor & St. Lighting	Total
Purchased Power	Demand	1,846,624	1,517,955	502,993	16,891	6,505,282
Purchased Power	Energy	7,621,360	5,682,524	1,766,144	126,316	23,003,451
Lines	Consumer	574,549	1,020	85	2,040	1,305,971
Lines	Demand	1,453,532	835,440	18,085	30,010	4,517,262
Transformers	Consumer	92,199	1,945	1,136	93	164,213
Transformers	Demand	194,115	148,760	48,304	4,008	686,345
Services	Consumer	541,768	-	-	16,563	1,245,392
Meters	Consumer	346,984	-	-	-	811,073
Consumer Services & Accounting	Consumer	676,836	1,201	31	25,341	1,121,874
Lighting	Lighting				294,833	294,833
Revenue Requirements		13,347,966	8,188,845	2,336,779	516,094	39,655,698
SUMMARY						
		10	B-1	B-2	3	-
		Opt. DSM	Large	Large	Outdoor & St.	-
		Schedule	Industrial	Industrial	Lighting	Total
Consumer Related		2,232,335	4,166	1,252	44,036	4,648,524
Demand Related		3,494,271	2,502,155	569,383	50,909	11,708,889
Energy Related		7,621,360	5,682,524	1,766,144	126,316	23,003,451
Lighting						294,833
Revenue Requirements		13,347,966	8,188,845	2,336,779	221,261	39,655,698

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LOAD DATA USED IN THE ALLOCATION OF THE DEMAND RELATED AND ENERGY RELATED COSTS

ENERGY KWH								
Month	1 General Service	2 Large Power Service	Off-Peak Marketing ETS	10 Optional DSM Schedule	B-1 Large Industrial	B-2 Large Industrial	3 Outdoor & Street Lighting	Total
August	9,009,233	3,556,594	-189	11,616,222	11,892,430	3,498,617	191,038	39,763,945
September	7,957,743	3,334,261	509	10,202,211	10,864,070	3,188,929	191,857	35,739,580
October	6,260,094	3,355,493	12,944	7,936,320	10,081,363	3,117,221	191,770	30,955,205
November	8,154,591	2,927,998	56,807	10,901,180	8,814,229	2,939,635	191,413	33,985,853
December	11,977,856	2,999,582	100,137	16,485,564	8,662,657	2,139,759	192,181	42,557,736
January	13,364,882	3,264,331	125,163	19,035,937	9,546,706	2,880,820	192,053	48,409,892
February	10,591,455	2,884,182	84,507	14,981,342	8,620,016	2,930,900	191,327	40,283,729
March	7,501,994	2,858,538	51,814	10,278,744	9,849,487	3,047,272	192,338	33,780,187
April	7,167,119	2,816,140	36,908	8,977,830	9,250,855	2,571,297	192,398	31,012,547
May	5,724,817	2,903,684	7,027	7,664,001	9,842,446	3,240,344	192,770	29,575,089
June	8,064,876	3,206,911	1,163	10,129,193	10,402,130	3,434,763	193,211	35,432,247
July	8,691,800	3,384,406	418	10,868,425	10,236,477	3,704,711	192,698	37,078,935
	104,466,460	37,492,120	477,208	139,076,969	118,062,866	36,694,268	2,305,054	438,574,945
Allocation Rate E								438,574,945
kWh	104,466,460	37,492,120		139,076,969			2,305,054	283,340,603
Percentage	36.87%	13.23%		49.08%			0.81%	100.0%
Allocation Rate B								
kWh					118,062,866	36,694,268		154,757,134
Percentage					76.29%	23.71%		100.00%

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LOAD DATA USED IN THE ALLOCATION OF THE DEMAND RELATED AND ENERGY RELATED COSTS

SUM OF MONTHLY CONTRIBUTIONS TO EKPC COINCIDENT (BILLING) DEMAND - KW								
Month	1 General Service	2 Large Power Service	Off-Peak Marketing ETS	10 Optional DSM Schedule	B-1 Large Industrial	B-2 Large Industrial	3 Outdoor & Street Lighting	Total
August	27,627	5,509	-	21,724	17,039	4,724	-	76,623
September	26,854	4,440	-	20,985	17,180	5,040	-	74,499
October	21,687	6,496	-	17,092	14,357	5,648	-	65,280
November	28,145	4,600	-	23,882	11,971	4,068	-	72,666
December	39,380	6,310	-	32,709	11,766	3,156	-	93,321
January	42,807	6,616	-	36,415	15,065	5,942	555	107,400
February	37,795	6,845	-	32,044	15,315	5,003	556	97,558
March	33,618	6,222	-	28,965	13,547	5,453	563	88,368
April	21,862	6,117	-	17,882	12,338	4,805	526	63,530
May	20,177	5,404	-	16,294	16,683	4,602	486	63,646
June	25,052	5,519	-	23,827	16,113	5,271	-	75,782
July	22,739	4,953	-	21,839	15,535	4,909	-	69,975
	347,743	69,031	0	293,658	176,909	58,621	2,686	948,648
Allocation Rate E								
kW	347,743	69,031		293,658			2,686	713,118
Percentage	48.76%	9.68%		41.18%			0.38%	100.0%
Allocation Rate B								
kW					176,909	58,621		235,530
Percentage					75.11%	24.89%		100.0%

**SHELBY ENERGY
CASE NO. 2009-00410**

Exhibit R
Schedule 4
Page 23 of 30
Witness: Jim Adkins

LOAD DATA USED IN THE ALLOCATION OF THE DEMAND RELATED AND ENERGY RELATED COSTS

SUM OF MONTHLY RATE CLASSES PEAK DEMAND - KW								
Month	1 General Service	2 Large Power Service	Off-Peak Marketing ETS	10 Optional DSM Schedule	B-1 Large Industrial	B-2 Large Industrial	3 Outdoor & Street Lighting	- - -
August	27,627	8,480	-	23,701	21,075	6,877	499	88,259
September	26,854	8,975	-	22,892	20,455	6,540	501	86,217
October	21,687	8,386	-	19,224	20,123	6,212	500	76,132
November	28,145	8,616	-	23,882	18,539	6,229	500	85,911
December	39,380	8,706	-	32,709	18,272	5,314	555	104,936
January	42,807	9,050	-	36,415	18,224	5,942	556	112,994
February	37,795	8,750	-	32,044	17,972	5,953	563	103,077
March	33,618	8,814	-	28,965	18,809	5,936	526	96,668
April	21,862	8,380	-	18,797	18,446	5,988	503	73,976
May	20,177	8,225	-	16,294	18,871	6,204	503	70,274
June	25,052	8,733	-	23,827	20,097	6,947	505	85,161
July	22,739	8,649	-	22,269	19,804	6,765	504	80,730
	347,743	103,764	0	301,019	230,687	74,907	6,215	1,064,335
Allocation % Transformers	32.67%	9.75%	0.00%	28.28%	21.67%	7.04%	0.58%	100%
Allocation % Lines	347,743	103,764	-	301,019	173,015	3,745	6,215	935,502
	37.17%	11.09%	0.00%	32.18%	18.49%	0.40%	0.66%	100%

**SHELBY ENERGY COOPERATIVE
CASE NO. 2009-00410**

ALLOCATION OF CONSUMER RELATED COSTS

Poles and conduit)							Number of Consumers	Allocation Percent	
1	General Service						8,511	55.38%	
	ETS Marketing Rate						0	0.00%	
2	Large Power Service						59	0.38%	
10	Optional DSM Rate						6,761	43.99%	
B-1	Large Power Rate						12	0.08%	
B-2	Large Power Rate						1	0.01%	
3	Outdoor & St. Lighting						24	0.16%	
							15,368	100.0%	
Transformers									
		1	2	3	4	5	6		
		Minimum Size Transform.	Cost of Minimum Transform.	Weighted Cost Min = 1	Number of Customers	Relative Weight	Allocation Percent		
1	General Service	10 KVA	\$ 303.08	1.00	8,511.00	8,511	41.4%		
	ETS Marketing Rate	-	-	-	-	-	0.0%		
2	Large Power Service	15 KVA	517.03	1.71	59.00	101	0.5%		
10	Optional DSM Rate	15 KVA	517.03	1.71	6,761.00	11,534	56.1%		
B-1	Large Power Rate	500 KVA	\$6,144.49	20.27	12.00	243	1.2%		
B-2	Large Power Rate	2-2500 KVA	43,084.29	142.15	1.00	142	0.7%		
3	Outdoor & St. Lighting	3 KVA	146.85	0.48	24.00	12	0.1%		
							15,368.00	20,542.41	100.0%

**SHELBY ENERGY COOPERATIVE
CASE NO. 2009-00410**

ALLOCATION OF CONSUMER RELATED COSTS

Services		1	2	3	4	5	6	
		Minimum Size Service	Cost Per Unit	Average Length of Service	Cost of Service	Number of Customers	Relative Weight	Allocation Percent
1	General Service	2 Tpx	\$ -	65.00	383.00	8,511	3,259,713	54.76%
	ETS Marketing Rate	2 Tpx	-	10.00	19.15	84	1,609	0.03%
2	Large Power Service	4/0 Tpx	-	65.00	383.00	59	22,597	0.38%
10	Optional DSM Rate	2 Tpx	-	65.00	383.00	6,761	2,589,463	43.50%
B-1	Large Power Rate	4/0 Tpx	-	-	-	12	-	0.00%
B-2	Large Power Rate	-	-	-	-	1	-	0.00%
3	Outdoor & St. Lighting	-	-	10.00	19.15	4,134	79,166	1.33%
		-	-	-	-	-	-	0.00%
		#6	\$ -	15.00	-	-	-	0.00%
						19,562.00	5,952,548	100%
Meters		1	2	3	4	5	6	
		Minimum Size Meter	Cost of Minimum Meter	Weighted Cost Meter	Number of Customers	Relative Weight	Allocation Percent	
1	General Service	240V C200	39.00	1.00	8,511	8,511.00	53.854%	
	ETS Marketing Rate	240V C200	39.00	1.00	84	84.00	0.532%	
2	Large Power Service	240V C200	296.00	7.59	59	447.79	2.833%	
10	Public Facilites	240V C200	39.00	1.00	6,761	6,761.00	42.781%	
B-1	Large Power Rate	240V C200	-	-	12	-	0.000%	
B-2	Large Power Rate	240V C200	-	-	1	-	0.000%	
3	Outdoor & St. Lighting	-	-	-	-	-	-	0.000%
		-	-	-	-	-	-	0.000%
								0.000%
					15,428.00	15,803.79	100.0%	

**SHELBY ENERGY COOPERATIVE
CASE NO. 2009-00410**

ALLOCATION OF CONSUMER RELATED COSTS

* Accounting Services		Meter Reading	Consumers Records	Total	Allocation Percent
Rate Class		133,403	105,738	239,141	36.81%
1	General Service	658	447	1,106	0.17%
	ETS Marketing Rate	925	1,152	2,077	0.32%
2	Large Power Service	211,947	179,993	391,940	60.33%
10	Optional DSM Rate	376	319	696	0.11%
B-1	Large Power Rate	-	18	18	0.00%
B-2	Large Power Rate	-	14,674	14,674	2.26%
3	Outdoor & St. Lighting	-	-	-	0.00%
		-	-	-	0.00%
		-	-	-	0.00%
-	-	347,309	302,342	649,651	100%

Meter Reading

Rate Class	Factor	Number of Consumers	Relative Weight	Allocation Percent	Expense Allocated
		8,511	8,511	38.4%	133,403
1	General Service	1.00	84	0.2%	658
	ETS Marketing Rate	0.50	59	0.3%	925
2	Large Power Service	1.00	6,761	61.0%	211,947
B-1	Optional DSM Rate	2.00	12	0.1%	376
B-2	Large Power Rate	2.00	1	0.0%	-
3	Large Power Rate	-	24		
	Outdoor & St. Lighting	-	-		
		-	-		
		-	-		
-	-		22,158	100.0%	326,264

**SHELBY ENERGY COOPERATIVE
CASE NO. 2009-00410**

ALLOCATION OF CONSUMER RELATED COSTS

Consumer Records										
Rate Class	Factor	Number of Consumers	Relative Weight	Allocation Percent	Expense Allocated					
1	General Service	7	8,511.00	59,577	35.0%	105,738				
	ETS Marketing Rate	3	84.00	252	0.1%	447				
2	Large Power Service	11	59.00	649	0.4%	1,152				
B-1	Optional DSM Rate	15	6,761.00	101,415	59.5%	179,993				
B-2	Large Power Rate	15	12.00	180	0.1%	319				
3	Large Power Rate	10	1.00	10	0.0%	18				
	Outdoor & St. Lighting	2	4,134.00	8,268	4.9%	14,674				
					0.0%	-				
					0.0%	-				
-	-									
-	-									
				170,351	100%	296,112				
Determination of Factors for Consumer Records										
	Base Rate Components	FAC	ES	PF Ratchet	Minimum Energy	Total				
1	General Service	5	1	1	0	7				
	ETS Marketing Rate	1	1	1	0	3				
2	Large Power Service	8	1	1	1	11				
B-1	Optional DSM Rate	8	1	1	3	15				
B-2	Large Power Rate	8	1	1	3	15				
3	Large Power Rate	8	1	1	0	10				
	Outdoor & St. Lighting	1	0.5	0.5	0	2				

SHELBY ENERGY COOPERATIVE
CASE NO. 2009-00410

Exhibit R
 Schedule 5
 Page 28 of 30
 Witness: Jim Adkins

DETERMINATION OF INCREASE BY RATE CLASS

	Green Power	1 General Service	2 Large Power Service	Off-Peak Marketing ETS	10 Opt. DSM Schedule	B-1 Large Industrial	B-2 Large Industrial	3 Outdoor & St. Lighting	- -	- Total
Total Revenue										
Requirements	3,285	12,137,905	3,093,716	31,107	13,347,966	8,188,845	2,336,779	516,094		39,655,698
Revenue from Rates	3,497	10,312,536	3,162,537	25,349	12,055,527	8,232,136	2,381,732	420,846		36,594,160
Under (Over)	(212)	1,825,369	(68,821)	5,758	1,292,439	(43,291)	(44,953)	95,248		3,061,538
Less Other Revenue	-	359,007	-	-	419,685	-	-	14,651		793,343
		45%			53%			2%		
COSS Based Revenue Increase (Decrease)	(212)	1,466,362	(68,821)	5,758	872,754	(43,291)	(44,953)	80,598		2,268,195
Increase Percent		14.22%	-2.18%	22.72%	7.24%	-0.53%	-1.89%	19.15%		6.20%
Revised Increase Due to No Rate Decreases	212	(71,172)	68,821		(83,201)	43,291	44,953	(2,904)		0
	212	(71,172)	68,821	-	(83,201)	43,291	44,953	(2,904)		0
Revised Increase	-	1,395,191	-	5,758	789,553	-	-	77,693		2,268,195
Increase Percent		13.53%	0.00%	22.72%	6.55%	0.00%	0.00%	18.46%		6.20%
Revenue Requirement from Rates		11,707,727	3,162,537	31,107	12,845,080	8,232,136	2,381,732	498,539		38,862,355

**CLARK ENERGY COOPERATIVE
CASE NO. 2009-00314
PROPOSED RATE DESIGN**

Exhibit R
Schedule 6
Page 29 of 30
Witness: Jim Adkins

Rate Design - Combined Rate Schedules for Rate 1 and Rate 10							
Revenue Requirements							
Rate 1 Revenue Requirements							11,707,727
Rate 10 Revenue Requirements							12,845,080
Total Revenue Requirements for the Combined Rate Class							24,552,806
Billing Units							
		Rate 1		Rate 10		Combined	
		Consumers	Energy kWh	Consumers	Energy kWh	Consumers	Energy kWh
Residential Consumers		67,126	85,962,968	79,589	137,352,815	146,715	223,315,783
General Service		34,300	18,503,492	1,762	1,724,154	36,062	20,227,646
		101,426	104,466,460	81,351	139,076,969	182,777	243,543,429
Cost Based Consumer Facility Charge							
							Rate 1
Consumer Related Costs							2,323,064
Number of Consumer Billing Units							101,426
Cost Based Consumer Facility Charge							81,351
							Total
							4,555,399
							182,777
							\$ 24.92
Proposed Rates for New Rate Classes							
					Rate	Billing	Revenue
Consumer Facility Charge						Units	
Residential Customers					9.75	146,715	\$ 1,430,469
General Service - Single Phase					12.52	35,930	449,847
General Service - Three Phase					32.56	132	4,298
							\$ 1,884,614
Energy Rate							
Revenue Requirements							\$ 22,668,193
Energy kWh							243,543,429
Energy Rate							\$ 0.09308

**CLARK ENERGY COOPERATIVE
CASE NO. 2009-00314
PROPOSED RATE DESIGN**

Exhibit R
Schedule 6
Page 30 of 30
Witness: Jim Adkins

Off-Peak Retail Marketing Rate (ETS)						
	Total Revenue Requirements					\$ 31,107
	Total Energy kWh					477,208
	Energy Charge per kWh					\$ 0.06519
Rate Design - Rate 2 Large Power Service						
	Consumer Facility Charge					37,114
	Consumer Related Revenue Requirements					740
	Number of Consumer Billing Units					\$ 50.15
	Consumer Facility Charge					\$ 4.97
	Demand Charge - No Change					\$ 4.97
	Energy Charge					\$ 2,594,978
	Current Revenue from Energy					\$ 37,111
	Less Revenue from Proposed Energy Rate					\$ 2,557,867
	Revenue Requirements from Energy					37,492,120
	Energy kWh					\$ 0.06822
	Energy Rate					
Rate Design - Rate 3 Outdoor and Street Lighting Service						
	Increase in Revenue Requirements					\$ 77,693
	Current Revenue from Rates					420,846
	Percentage Increase in Rates					18.5%
				Current		Proposed
				Rates	Multiplier	Rate
	100 Watt HPS Security Light			\$7.86	118.46%	\$ 9.31
	100 Watt Decorative Colonial Light			\$10.50	118.46%	\$ 12.44
	400 Watt Directional Flood Light			\$16.43	118.46%	\$ 19.46
	250 Watt Directional Flood Light			\$11.73	118.46%	\$ 13.90
	150 Watt Decorative Acorn			\$12.61	118.46%	\$ 14.94

Shelby Energy Cooperative
Case No. 2009-00410
Statement of Operations, Adjusted

Exhibit S
page 1 of 4
Witness: Jim Adkins

	<u>Actual Test Year</u>	<u>Normalized Adjustments</u>	<u>Normalized Test Year</u>	<u>Proposed Increase</u>	<u>Proposed Test Year</u>
Operating Revenues:					
Base rates	30,550,303	6,043,858	36,594,161	2,268,197	38,862,358
Fuel and surcharge	5,988,022	(5,988,022)	0		0
Other electric revenue	699,735	19,321	719,056		719,056
	<u>37,238,060</u>	<u>75,157</u>	<u>37,313,217</u>	<u>2,268,197</u>	<u>39,581,414</u>
Operating Expenses:					
Cost of power:					
Base rates	23,356,769	6,151,964	29,508,733		29,508,733
Fuel and surcharge	5,413,678	(5,413,678)	0		0
Distribution - operations	1,265,042	71,441	1,336,483		1,336,483
Distribution - maintenance	1,698,668	80,298	1,778,966		1,778,966
Consumer accounts	702,620	21,097	723,717		723,717
Customer service	156,453	10,828	167,281		167,281
Sales	3,355	248	3,603		3,603
Administrative and general	929,801	(98,886)	830,915		830,915
Total operating expenses	<u>33,526,386</u>	<u>823,312</u>	<u>34,349,698</u>	<u>0</u>	<u>34,349,698</u>
Depreciation	1,829,713	42,791	1,872,504		1,872,504
Taxes - other	35,224	0	35,224		35,224
Interest on long-term debt	1,652,811	35,241	1,688,052		1,688,052
Interest expense - other	54,824	(32,654)	22,170		22,170
Other deductions	3,562	(3,562)	0		0
Total cost of electric service	<u>37,102,520</u>	<u>865,128</u>	<u>37,967,648</u>	<u>0</u>	<u>37,967,648</u>
Utility operating margins	<u>135,540</u>	<u>(789,971)</u>	<u>(654,431)</u>	<u>2,268,197</u>	<u>1,613,766</u>
Nonoperating margins, interest	47,984	0	47,984		47,984
Income from equity investments	50,722	0	50,722		50,722
Nonoperating margins, other	(116,105)	0	(116,105)		(116,105)
Patronage capital credits	441,865	(350,180)	91,685		91,685
Net Margins	<u>\$560,006</u>	<u>(\$1,140,151)</u>	<u>(\$580,145)</u>	<u>\$2,268,197</u>	<u>\$1,688,052</u>
TIER	1.34		0.66		2.00

Shelby Energy Cooperative
Case No. 2009-00410
Balance Sheet, Adjusted
June 30, 2009

Exhibit S
page 2 of 4
Witness: Jim Adkins

	<u>Actual</u> <u>Test Year</u>	<u>Adjustments</u> <u>to Test Year</u>	<u>Adjusted</u> <u>Test Year</u>
<u>ASSETS</u>			
Electric Plant:			
In service	63,478,258		63,478,258
Under construction	498,796		498,796
	<u>63,977,054</u>		<u>63,977,054</u>
Less accumulated depreciation	11,336,003	38,849	11,374,852
	<u>52,641,051</u>	<u>(38,849)</u>	<u>52,602,202</u>
Investments	<u>9,030,455</u>		<u>9,030,455</u>
Current Assets:			
Cash and temporary investments	2,320,828		2,320,828
Accounts receivable, net	3,679,731		3,679,731
Material and supplies	295,332		295,332
Prepayments and current assets	83,534		83,534
	<u>6,379,425</u>		<u>6,379,425</u>
Net change in assets and defer debits	<u>107,695</u>	<u>1,166,895</u>	<u>1,274,590</u>
Total	<u>68,158,626</u>	<u>1,128,046</u>	<u>69,286,672</u>

MEMBERS' EQUITIES AND LIABILITIES

Margins:			
Other equities	563,291		563,291
Patronage capital	24,892,866	1,128,046	26,020,912
	<u>25,456,157</u>	<u>1,128,046</u>	<u>26,584,203</u>
Long Term Debt	<u>34,506,968</u>		<u>34,506,968</u>
Accumulated postretirement benefits	<u>1,895,285</u>		<u>1,895,285</u>
Current Liabilities:			
Accounts payable	4,456,074		4,456,074
Consumer deposits	386,110		386,110
Accrued expenses	561,017		561,017
	<u>5,403,201</u>		<u>5,403,201</u>
Consumer advances for construction	<u>897,015</u>		<u>897,015</u>
Total	<u>68,158,626</u>	<u>1,128,046</u>	<u>69,286,672</u>

Shelby Energy Cooperative
Case No. 2009-00410
Summary of Adjustments to Test Year

Exhibit S
page 3 of 4
Witness: Jim Adkins

	Adj 1	Adj 2	Adj 3	Adj 4	Adj 5	Adj 6	Adj 7	Adj 8	Adj 9	Adj 10	Adj 11	Adj 12	Adj 13	Adj 14	Adj 15	Adj 16	Adj 17	Adj 18	Total	
																Normalize				
	Salaries	Payroll Taxes	Deprec	Property Tax	Interest	FAS 106 Cost	Retirement	Donations	Professional Fees	Directors	Misc Expenses	Rate Case	CATV Attachments	Non-Recurring	EKPC	Purchase Power	Revenue	Additional Revenue		
Operating Revenues:																				
Base rates																		6,043,858		6,043,858
Fuel and surcharge														16,961	17,698				(15,338)	19,321
Other electric revenue																				
	0	0	0	0	0	0	0	0	0	0	0	0	16,961	17,698	0	0	55,836	(15,338)	75,157	
Operating Expenses:																				
Cost of power:																				
Base rates																	6,151,964			6,151,964
Fuel and surcharge																	(5,413,678)			(5,413,678)
Distribution - operations	15,106	1,334	(921)	22,715		2,007	31,200													71,441
Distribution - maintenance	24,933	2,202	(1,647)			3,313	51,497													80,298
Consumer accounts	6,548	578	(423)			870	13,524													21,097
Customer service	3,401	300	(350)			452	7,025													10,828
Sales	75	7				10	156													248
Administrative and general	7,487	661	(601)	1,744		995	15,463		(60,989)	(44,201)	(43,445)	24,000								(98,886)
Total operating expenses:	57,550	5,082	(3,942)	24,459	0	7,647	118,865	0	(60,989)	(44,201)	(43,445)	24,000	0	0	0	738,286	0	0	823,312	
Depreciation			42,791																	42,791
Taxes - other																				0
Interest on long-term debt					35,241															35,241
Interest expense - other					(32,654)															(32,654)
Other deductions								(3,562)												(3,562)
Total cost of electric service	57,550	5,082	38,849	24,459	2,587	7,647	118,865	(3,562)	(60,989)	(44,201)	(43,445)	24,000	0	0	0	738,286	0	0	865,128	
Utility operating margin:	(57,550)	(5,082)	(38,849)	(24,459)	(2,587)	(7,647)	(118,865)	3,562	60,989	44,201	43,445	(24,000)	16,961	17,698	0	(738,286)	55,836	(15,338)	(789,971)	
Nonoperating margins, interest																				0
Income from equity investments																				0
Nonoperating margins, other																				0
Patronage capital credits																(350,180)				(350,180)
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(350,180)	0	0	0	(350,180)	
Net Margins	(57,550)	(5,082)	(38,849)	(24,459)	(2,587)	(7,647)	(118,865)	3,562	60,989	44,201	43,445	(24,000)	16,961	17,698	(350,180)	(738,286)	55,836	(15,338)	(1,140,151)	

Shelby Energy Cooperative
Case No. 2009-00410
Proposed Revenues
June 30, 2009

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Interest on long term debt	1,688,052
Normalized margins	<u>(580,145)</u>
Proposed increase in revenues over normalized revenues to attain a TIER of 2.0x	<u><u>\$2,268,197</u></u>

Shelby Energy Cooperative
Case No. 2009-00410
Monthly Operating Budget
July 31, 2009

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	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Total</u>
Operating revenue	3,479,350	3,215,354	2,536,973	3,026,438	2,882,056	3,887,589	3,711,174	3,614,272	2,998,153	2,948,419	3,303,389	3,431,578	39,034,745
Operating expenses:													
Cost of power	2,624,930	2,552,643	2,095,161	2,100,167	2,401,292	3,319,898	2,976,919	2,683,699	2,312,454	2,201,613	2,526,305	2,938,087	30,733,168
Distribution-operations	79,243	101,134	100,600	109,130	121,997	116,966	106,986	120,166	111,936	112,527	106,386	105,957	1,293,028
Distribution-maintenan	117,355	94,020	100,462	88,249	120,353	100,259	114,184	140,084	97,384	112,741	109,059	133,938	1,328,088
Consumer accounts	72,619	69,230	70,722	62,823	75,216	69,782	57,036	60,170	58,729	57,950	62,186	48,394	764,857
Customer services	9,874	18,075	14,147	14,020	12,985	6,456	13,649	14,106	14,266	13,050	13,366	18,939	162,933
Sales	170	(16,043)	2,933	1,255	2,732	(1,463)	4,388	327	827	305	416	350	(3,803)
Administrative and gen	61,946	62,215	47,083	49,088	102,685	63,895	55,667	67,733	72,209	58,353	84,684	82,816	808,374
Total operation and r	2,966,137	2,881,274	2,431,108	2,424,732	2,837,260	3,675,793	3,328,829	3,086,285	2,667,805	2,556,539	2,902,402	3,328,481	35,086,645
Depreciation	151,149	151,980	152,440	152,812	152,443	153,634	154,731	155,181	155,775	156,304	156,963	157,120	1,850,532
Taxes-other	2,857	2,857	2,857	4,393	4,393	2889	2,889	2,889	2,889	2,888	2,889	2,889	37,579
Interest on long term d	140,808	141,989	149,111	136,546	141,986	144,720	115,468	149,590	144,720	135,918	148,752	144,720	1,694,328
Interest expense - othe	2,049	1,891	1,959	1,872	2,069	3,699	3,447	3,727	2,361	1,956	1,896	1,968	28,894
Other deductions	7	144	4	0	12	109	132	0	215	193	41	224	1,081
Total cost of electric s	3,263,007	3,180,135	2,737,479	2,720,355	3,138,163	3,980,844	3,605,496	3,397,672	2,973,765	2,853,798	3,212,943	3,635,402	38,699,059
Utility operating margi	216,343	35,219	(200,506)	306,083	(256,107)	(93,255)	105,678	216,600	24,388	94,621	90,446	(203,824)	335,686
Nonoperating margins, i	24,734	19,333	18,567	13,626	17,341	5,743	7,532	6,345	6,993	7,169	7,288	6,561	141,232
Nonoperating margins, t	(584)	(368)	(357)	(296)	30,542	(530)	(497)	(451)	(2,483)	(411)	(4,630)	(4,415)	15,520
Patronage capital:													
G & T	0	0	0	0	0	0	0	0	0	0	0	0	0
Others	0	58,466	0	0	0	7,004	14,193	10,452	(80)	0	0	0	90,035
	0	58,466	0	0	0	7,004	14,193	10,452	(80)	0	0	0	90,035
Net margins	240,493	112,650	(182,296)	319,413	(208,224)	(81,038)	126,906	232,946	28,818	101,379	93,104	(201,678)	582,473

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Exhibit U
page 1 of 1
Witness: Debbie Martin

Shelby Energy Cooperative
Case No. 2009-00410
By - Laws Changes
July 31, 2009

The last rate increase that Shelby had was in 1983. Since that time substantially every aspect of the By-Laws have been changed. The current copy is attached.

1 Shelby Energy Cooperative
2 Case No. 2009-00410
3 Statement of Operations
4 July 31, 2009

Exhibit V
page 1 of 3
Witness: Jim Adkins

	<u>2009</u>	<u>2008</u>
8 Operating revenue	<u>\$37,238,060</u>	<u>\$36,483,063</u>
10 Operating expenses:		
11 Cost of power	28,770,447	28,437,667
12 Distribution-operations	1,265,042	1,268,551
13 Distribution-maintenance	1,698,668	1,337,933
14 Consumer accounts	702,620	752,675
15 Consumer service	156,453	127,528
16 Sales	3,355	4,540
17 Administrative and general	<u>929,801</u>	<u>734,926</u>
18	33,526,386	32,663,820
19		
20 Depreciation and amortization	1,829,713	1,763,751
21 Taxes-other	35,224	36,257
22 Interest on long term debt	1,652,811	1,677,980
23 Other interest expense	54,824	28,569
24 Other deductions	<u>3,562</u>	<u>3,322</u>
25	<u>37,102,520</u>	<u>36,173,699</u>
26		
27 Utility operating margins	135,540	309,364
28 Nonoperating margins, interest	47,984	123,984
29 Income from equity investments	50,722	2,399
30 Nonoperating margins, other	(116,105)	84,288
31 G & T capital credits	350,180	0
32 Other capital credits	<u>91,685</u>	<u>89,486</u>
33		
34 Net margins	<u>\$560,006</u>	<u>\$609,521</u>
35		
36		
37		

Shelby Energy Cooperative

Case No. 2009-00410

Balance Sheet

July 31, 2009

Exhibit V

page 2 of 3

Witness: Jim Adkins

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	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Electric Plant:		
In service	\$63,478,258	\$61,545,819
Under construction	498,796	195,620
	<u>63,977,054</u>	<u>61,741,439</u>
Less accumulated depreciation	11,336,003	9,891,183
	<u>52,641,051</u>	<u>51,850,256</u>
Investments	<u>9,030,455</u>	<u>8,308,569</u>
Current Assets:		
Cash and temporary investments	2,320,828	2,636,109
Accounts receivable, net	3,679,731	3,322,818
Material and supplies	295,332	334,660
Prepayments	83,534	97,901
	<u>6,379,425</u>	<u>6,391,488</u>
Deferred debits	<u>107,695</u>	<u>0</u>
Total Assets	<u>\$68,158,626</u>	<u>\$66,550,313</u>
<u>MEMBERS' EQUITIES AND LIABILITIES</u>		
Margins and Equities:		
Patronage capital	\$24,892,866	\$24,747,684
Other equities	563,291	429,581
	<u>25,456,157</u>	<u>25,177,265</u>
Long Term Debt	<u>34,506,968</u>	<u>34,585,853</u>
Accumulated Operating Provisions	<u>1,895,285</u>	<u>1,863,047</u>
Current Liabilities:		
Accounts payable	4,456,074	3,086,855
Consumer deposits	386,110	381,655
Accrued expenses	561,017	547,546
	<u>5,403,201</u>	<u>4,016,056</u>
Consumer advances	<u>897,015</u>	<u>908,091</u>
Total Members' Equities and Liabilities	<u>\$68,158,626</u>	<u>\$66,550,312</u>

Shelby Energy Cooperative
Case No. 2009-00410
Statement of Cash Flows
July 31, 2009

Exhibit V
page 3 of 3
Witness: Jim Adkins

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	<u>2009</u>	<u>2008</u>
Cash Flows from Operating Activities:		
Net margins	\$560,006	\$609,521
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation		
Charged to expense	1,829,713	1,763,751
Charged to clearing accounts	128,983	130,724
Patronage capital credits	(441,865)	(89,486)
Accumulated postretirement benefits	32,238	44,632
Net change in current assets and liabilities:		
Receivables	(356,913)	(28,444)
Material and supplies	39,328	114,041
Prepayments and deferred debits	(93,328)	(2,966)
Accounts payables	1,369,219	1,368,104
Consumer deposits	4,455	(6,985)
Accrued expenses	13,471	6,208
Consumer advances	(11,076)	(18,038)
	<u>3,074,231</u>	<u>3,891,062</u>
Cash Flows from Investing Activities:		
Plant additions	(2,894,710)	(3,021,082)
Additional investments, net of receipts	280,021	(140,442)
	<u>(2,614,689)</u>	<u>(3,161,524)</u>
Cash Flows from Financing Activities:		
Other equities	(281,114)	133,384
Short term borrowings	-	(5,835)
Additional long-term borrowings	1,000,000	2,000,000
Payments on long-term debt	(1,078,885)	(1,155,227)
Retirement of capital credits	(414,824)	(420,095)
	<u>(774,823)</u>	<u>552,227</u>
Net increase in cash	(315,281)	1,281,765
Cash balances - beginning	<u>2,636,109</u>	<u>1,354,344</u>
Cash balances - ending	<u>\$2,320,828</u>	<u>\$2,636,109</u>

Shelby Energy Cooperative
 Comparison of Test Year Account Balances with
 those of the Preceding Year - Balance Sheet

Acct #	Description	August Month 1	September Month 2	October Month 3	November Month 4	December Month 5	January Month 6	February Month 7	March Month 8	April Month 9	May Month 10	June Month 11	July Month 12
364	Poles, towers & fixtures	17,850,143	17,888,195	17,947,116	17,980,347	18,058,532	18,102,156	18,164,365	18,205,549	18,233,216	18,284,170	18,453,742	18,496,901
	Prior year	17,084,054	17,174,438	17,220,655	17,281,441	17,326,982	17,387,322	17,508,506	17,538,741	17,602,771	17,674,146	17,765,585	17,794,342
	Change	766,089	713,757	726,461	698,906	731,550	714,834	655,859	666,808	630,445	610,024	688,157	702,559
365	Overhead conduct & devic	16,640,430	16,662,568	16,695,667	16,757,386	16,823,047	16,842,915	16,871,589	16,893,011	16,920,882	16,950,056	16,999,561	17,024,566
	Prior year	15,847,128	15,987,398	16,007,742	16,040,303	16,082,700	16,127,312	16,353,074	16,365,249	16,424,472	16,505,173	16,576,627	16,605,815
	Change	793,302	675,170	687,925	717,083	740,347	715,603	518,515	527,762	496,410	444,883	422,934	418,751
366	Underground conduit	307,519	307,519	307,519	307,519	307,519	307,519	307,519	307,519	307,519	307,519	307,519	307,519
	Prior year	307,519	307,519	307,519	307,519	307,519	307,519	307,519	307,519	307,519	307,519	307,519	307,519
	Change	0	0	0	0	0	0	0	0	0	0	0	0
367	Underground cond & devic	3,272,192	3,274,598	3,278,732	3,281,487	3,304,793	3,304,793	3,304,793	3,307,598	3,318,281	3,318,281	3,339,955	3,339,955
	Prior year	3,103,184	3,144,573	3,143,952	3,145,545	3,142,434	3,142,434	3,155,770	3,219,533	3,242,887	3,242,895	3,250,515	3,266,676
	Change	169,008	130,025	134,780	135,942	162,359	162,359	149,023	88,065	75,394	75,386	89,440	73,279
368	Transformers	8,468,876	8,503,349	8,550,679	8,579,631	8,609,934	8,609,860	8,640,775	8,654,011	8,674,777	8,670,559	8,706,278	8,718,269
	Prior year	8,277,206	8,292,060	8,357,281	8,336,907	8,344,080	8,363,534	8,387,752	8,390,100	8,428,866	8,437,804	8,476,262	8,421,031
	Change	191,670	211,289	193,398	242,724	265,854	246,326	253,023	263,911	245,911	232,755	230,016	297,238
369	Services	8,870,178	8,896,693	8,938,588	8,967,797	8,998,845	9,011,756	9,082,160	9,115,842	9,141,081	9,175,208	9,201,253	9,242,035
	Prior year	8,470,997	8,496,024	8,523,974	8,576,530	8,622,685	8,650,550	8,676,071	8,707,284	8,730,621	8,765,299	8,797,476	8,839,224
	Change	399,181	400,669	414,614	391,267	376,160	361,206	406,089	408,558	410,460	409,909	403,777	402,811
370	Meters	1,416,254	1,417,542	1,421,986	1,425,268	1,425,268	1,430,673	1,430,673	1,441,350	1,440,941	1,452,116	1,457,242	1,458,360
	Prior year	1,363,973	1,364,683	1,379,471	1,385,599	1,386,755	1,387,423	1,385,964	1,397,922	1,397,922	1,401,675	1,404,766	1,404,369
	Change	52,281	52,859	42,515	39,669	38,513	43,250	44,709	43,428	43,019	50,441	52,476	53,991
371	Security lights	1,570,308	1,581,362	1,587,250	1,588,139	1,599,036	1,599,036	1,602,328	1,607,560	1,625,272	1,631,675	1,630,873	1,642,267
	Prior year	1,461,358	1,467,752	1,470,618	1,480,126	1,497,116	1,504,130	1,519,432	1,540,629	1,552,290	1,555,734	1,564,811	1,564,811
	Change	108,950	113,610	116,632	108,013	101,920	94,906	82,896	66,931	72,982	75,941	66,062	77,456
373	Street lights	58,916	58,916	58,916	58,916	58,916	58,916	58,916	58,916	58,916	58,916	58,916	58,916
	Prior year	43,498	43,498	43,498	43,498	43,498	43,498	43,498	43,498	43,498	43,498	43,498	43,498
	Change	15,418	15,418	15,418	15,418	15,418	15,418	15,418	15,418	15,418	15,418	15,418	15,418
389	Land	22,085	22,085	22,085	22,085	22,085	22,085	22,085	22,085	22,085	22,085	22,085	22,085
	Prior year	22,085	22,085	22,085	22,085	22,085	22,085	22,085	22,085	22,085	22,085	22,085	22,085
	Change	0	0	0	0	0	0	0	0	0	0	0	0
390	Structures & improve	1,171,415	1,171,415	1,171,415	1,171,415	1,171,415	1,171,415	1,171,415	1,171,415	1,171,415	1,171,415	1,171,415	1,171,415
	Prior year	1,171,415	1,171,415	1,171,415	1,171,415	1,171,415	1,171,415	1,171,415	1,171,415	1,171,415	1,171,415	1,171,415	1,171,415
	Change	0	0	0	0	0	0	0	0	0	0	0	0
391	Office furniture	260,499	260,499	265,704	265,872	266,506	266,184	266,184	267,963	299,009	299,009	299,009	299,009
	Prior year	260,499	260,499	260,499	260,499	260,499	260,499	260,499	260,499	260,499	260,499	260,499	260,499
	Change	0	0	5,205	5,373	6,007	5,685	5,685	7,464	38,510	38,510	38,510	38,510
392	Transportation	1,422,933	1,422,933	1,422,933	1,422,933	1,197,709	1,225,409	1,199,371	1,199,371	1,199,371	1,197,709	1,197,709	1,229,799
	Prior year	1,330,475	1,264,744	1,134,637	1,134,637	1,134,637	1,134,637	1,134,637	1,134,637	1,181,530	1,181,530	1,291,656	1,417,398
	Change	92,458	158,189	288,296	288,296	63,072	90,772	64,734	64,734	17,841	16,179	(93,947)	(187,599)

Shelby Energy Cooperative
Comparison of Test Year Account Balances with
those of the Preceding Year - Balance Sheet

Acct #	Description	August Month 1	September Month 2	October Month 3	November Month 4	December Month 5	January Month 6	February Month 7	March Month 8	April Month 9	May Month 10	June Month 11	July Month 12
131.1	Cash - General	1,067,261	788,483	783,423	1,037,461	487,375	1,390,459	813,623	908,012	589,691	827,429	1,054,843	1,196,036
	Prior year	1,117,228	1,181,478	706,993	469,510	549,530	903,439	544,002	378,808	739,016	855,580	1,085,802	725,968
	Change	(49,967)	(392,995)	76,430	567,951	(62,155)	487,020	269,621	529,204	(149,325)	(28,151)	(30,959)	470,068
131.13	Cash - Econ Dev Coop Fur	407,237	414,016	414,792	421,486	425,093	428,535	431,937	437,387	442,777	448,147	448,507	158,839
	Prior year	586,365	588,172	590,046	591,864	593,636	595,274	596,811	598,286	599,527	600,800	602,035	406,316
	Change	(179,128)	(174,156)	(175,254)	(170,378)	(168,543)	(166,739)	(164,874)	(160,899)	(156,750)	(152,653)	(153,528)	(247,477)
131.30	Cash - Bedford	69,422	21,431	78,395	46,883	81,418	205,534	214,199	75,845	81,979	107,318	63,095	25,773
	Prior year	56,267	67,080	19,912	55,194	71,611	45,804	109,848	117,897	34,447	48,363	71,356	27,452
	Change	13,155	(45,649)	58,483	(8,311)	9,807	159,730	104,351	(42,052)	47,532	58,955	(8,261)	(1,679)
131.60	Cash - Capital credit	5,469	763	3,163	(259,063)	8,154	5,339	3,982	2,428	2,358	5,818	2,696	4,592
	Prior year	37,234	36,059	45,496	(200,549)	25,287	25,149	23,279	20,306	17,240	12,240	9,011	8,311
	Change	(31,765)	(35,296)	(42,333)	(58,514)	(17,133)	(19,810)	(19,297)	(17,878)	(14,882)	(6,422)	(6,315)	(3,719)
135.00	Working funds	4,550	5,050	5,050	4,550	4,550	5,050	5,050	5,050	4,500	4,500	4,500	4,500
	Prior year	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	550	550	50	50
	Change	50	550	550	50	50	550	550	550	550	550	50	50
134	Special deposits	425	425	425	425	425	425	425	425	425	425	425	425
	Prior year	425	425	425	425	425	425	425	425	425	425	425	425
	Change	0	0	0	0	0	0	0	0	0	0	0	0
****	Total Cash	1,554,364	1,230,168	1,285,248	1,251,742	1,007,015	2,035,342	1,469,216	1,429,147	1,122,280	1,393,687	1,574,116	1,390,215
	Prior year	1,802,019	1,877,714	1,367,372	920,944	1,244,989	1,574,591	1,278,865	1,120,222	1,395,155	1,521,908	1,773,129	1,172,972
	Change	(247,655)	(647,546)	(82,124)	330,798	(237,974)	460,751	190,351	308,925	(272,875)	(128,221)	(199,013)	217,243
**** 136.1	Temporary investments	478,066	544,928	474,750	29,058	1,015,172	10,173	15,808	9,011	825,000	5,459	6,180	930,613
	Prior year	2,112,781	1,253,966	1,496,885	648,086	262,275	193,424	30,687	976,900	1,296,480	1,414,879	1,052,579	1,463,088
	Change	(1,634,715)	(709,038)	(1,022,135)	(619,028)	752,897	(183,251)	(14,879)	(967,889)	(471,480)	(1,409,420)	(1,046,399)	(532,475)
142.1	Accounts receivable	3,518,749	3,451,773	2,714,208	3,726,515	4,239,440	5,097,129	4,186,772	3,375,098	3,382,962	3,454,557	3,503,359	3,459,957
	Prior year	3,424,016	3,364,561	2,522,392	4,124,078	4,486,306	4,816,118	4,838,776	4,680,148	3,689,479	3,273,455	3,443,352	3,534,849
	Change	94,733	87,212	191,816	(397,563)	(246,866)	281,011	(652,004)	(1,305,050)	(306,517)	181,102	60,007	(74,892)
144.10	Allowance - Residential an	(18,838)	(18,940)	(18,569)	(26,170)	(26,870)	(25,885)	(26,678)	(30,910)	(30,627)	(26,204)	(7,468)	10,130
	Prior year	(29,983)	(33,427)	(34,541)	(46,978)	(47,227)	(44,665)	(47,311)	(49,196)	(49,630)	(49,572)	(36,860)	(23,401)
	Change	11,145	14,487	15,972	20,808	20,357	18,780	20,633	18,286	19,003	23,368	29,392	33,531
144.11	Allowance - Large Power	(365,575)	(365,575)	(365,575)	(365,575)	(365,575)	(365,575)	(365,575)	(365,575)	(365,575)	(365,575)	(365,575)	(365,575)
	Prior year	(365,575)	(365,575)	(365,575)	(365,575)	(365,575)	(365,575)	(365,575)	(365,575)	(365,575)	(365,575)	(365,575)	(365,575)
	Change	0	0	0	0	0	0	0	0	0	0	0	0
143	AR - other	171,938	195,872	218,316	248,053	358,412	402,626	192,202	210,286	1,033,339	1,053,972	1,072,001	552,185
	Prior year	167,793	152,798	167,902	186,594	193,856	40,881	34,642	47,705	68,714	95,219	116,702	176,945
	Change	4,145	43,074	50,414	61,459	164,556	361,745	157,560	162,581	964,625	958,753	955,299	375,240
****	Total Recievables	3,306,274	3,263,130	2,548,380	3,582,823	4,205,407	5,108,295	3,986,721	3,188,899	4,020,099	4,139,784	4,225,351	3,679,731
	Prior year	3,196,251	3,118,357	2,290,178	3,898,119	4,267,360	4,446,759	4,460,532	4,313,082	3,342,988	2,953,527	3,157,619	3,322,818
	Change	110,023	144,773	258,202	(315,296)	(61,953)	661,536	(473,811)	(1,124,183)	677,111	1,186,257	1,067,732	356,913

Shelby Energy Cooperative
Comparison of Test Year Account Balances with
those of the Preceding Year - Balance Sheet

Acct #	Description	August Month 1	September Month 2	October Month 3	November Month 4	December Month 5	January Month 6	February Month 7	March Month 8	April Month 9	May Month 10	June Month 11	July Month 12
232.1	Accounts payable - general	2,560,343	2,478,041	2,474,614	3,685,343	3,765,403	4,570,464	3,629,838	3,297,827	3,926,016	3,449,059	3,965,341	4,456,074
	Prior year	3,102,836	2,697,345	2,185,576	2,173,033	2,462,934	3,155,123	2,822,420	2,528,568	2,198,682	2,121,411	2,474,094	3,086,855
	Change	(542,493)	(219,304)	289,038	1,512,310	1,302,469	1,415,341	807,418	769,259	1,727,334	1,327,648	1,491,247	1,369,219
****	Total Payables	2,560,343	2,478,041	2,474,614	3,685,343	3,765,403	4,570,464	3,629,838	3,297,827	3,926,016	3,449,059	3,965,341	4,456,074
	Prior year	3,102,836	2,697,345	2,185,576	2,173,033	2,462,934	3,155,123	2,822,420	2,528,568	2,198,682	2,121,411	2,474,094	3,086,855
	Change	(542,493)	(219,304)	289,038	1,512,310	1,302,469	1,415,341	807,418	769,259	1,727,334	1,327,648	1,491,247	1,369,219
**** 235	Customer deposits	382,580	381,380	381,395	380,420	378,395	382,995	379,895	379,445	383,195	381,870	384,195	386,110
	Prior year	387,205	386,680	386,355	386,655	385,380	392,030	388,730	379,980	378,530	378,605	379,430	381,655
	Change	(4,625)	(5,300)	(4,960)	(6,235)	(6,985)	(9,035)	(8,835)	(535)	4,665	3,265	4,765	4,455
236.1	Acc property taxes	157,968	205,508	29,033	(54,976)	(101)	49,347	98,805	140,968	190,426	239,884	255,272	120,645
	Prior year	127,572	170,381	150,405	(49,445)	409	47,939	95,479	136,203	183,743	231,283	243,853	110,428
	Change	30,396	35,127	(121,372)	(5,531)	(510)	1,408	3,326	4,765	6,683	8,601	11,419	10,217
236.2	Acc FUTA tax	24		10	28		1,280	1,694		26	89		41
	Prior year	29		11	13		1,291	1,711		17	28		16
	Change	(5)	0	(1)	15	0	(11)	(17)	0	9	61	0	25
236.3	Acc FICA tax	(5)		(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)
	Prior year	(5)		(5)	(5)	(5)	5	5	5	5	5	5	5
	Change	(5)	0	0	0	5	5	5	5	5	5	5	5
236.4	Acc SUTA tax	22	(5)	7	21		938	1,414		26	103	(7)	58
	Prior year	20		10	15		775	1,167		15	23		12
	Change	2	(5)	(3)	6	0	163	247	0	11	80	(7)	46
236.5	Sales tax	61,004	62,429	54,663	57,270	59,996	64,846	54,790	55,944	62,135	59,447	51,683	61,317
	Prior year	61,099	59,361	48,694	52,295	50,880	56,479	58,948	62,394	60,580	61,618	63,359	60,086
	Change	(95)	3,068	5,969	4,975	9,116	8,367	(4,158)	(6,450)	1,555	(2,171)	(11,676)	1,231
236.61	School taxes	86,038	84,812	66,729	83,812	109,026	118,036	91,372	76,215	78,502	76,160	87,808	87,782
	Prior year	92,389	85,567	64,810	79,897	94,552	100,929	104,835	102,999	84,238	81,749	87,765	88,410
	Change	(6,351)	(755)	1,919	3,915	14,474	17,107	(13,463)	(26,784)	(5,736)	(5,589)	43	(628)
236.71	Franchise taxes	15,820	24,005	11,985	18,745		7,060	13,141	(1,077)	7,329	14,111	22,175	7,671
	Prior year	15,600	22,498	5,777	11,742	17,411	6,503	13,310	20,559	7,374	14,633	22,749	8,106
	Change	220	1,507	6,208	7,003	(17,411)	557	(169)	(21,636)	(45)	(522)	(574)	(435)
236.80	Discretionary bonus	41,664	46,872	52,080	52,080	1,359	7,359	13,359	19,359	25,359	31,359	37,359	43,359
	Prior year	50,336	56,628	62,920	64,840	1,359	5,208	10,416	15,624	20,832	26,040	31,248	36,456
	Change	(8,672)	(9,756)	(10,840)	(12,760)		2,151	2,943	3,735	4,527	5,319	6,111	6,903
237.10	RUS interest		9,791	17,996		1,364	14,261	(1,364)	66,632	83,474	(2,729)	15,708	31,149
	Prior year		8,320	15,108		6,986	17,859	(6,986)	4,119	13,387	(2,729)	9,478	17,362
	Change	0	1,471	2,888	0	(5,622)	(3,598)	5,622	62,513	70,087		6,230	13,787
237.11	FFB interest	123,200		61,600	123,200		58,919	117,838		58,919	117,838		58,919
	Prior year	133,000		66,500	133,000		61,600	123,200		61,600	123,200		61,600
	Change	(9,800)	0	(4,900)	(9,800)	0	(2,681)	(5,362)	0	(2,681)	(5,362)	0	(2,681)

Shelby Energy Cooperative
 Comparison of Test Year Account Balances with
 those of the Preceding Year - Balance Sheet

Acct #	Description	August Month 1	September Month 2	October Month 3	November Month 4	December Month 5	January Month 6	February Month 7	March Month 8	April Month 9	May Month 10	June Month 11	July Month 12
237.30	Other interest			(656)							4,638		6,412
	Prior year			(656)	0	0	0	0	0	0	4,638	0	6,412
	Change	0	0										
237.40	CFC notes		21,600	43,200		21,600	38,040	(21,600)	(5,160)	11,280	(21,600)	(5,160)	11,280
	Prior year		23,050	46,100		23,050	44,650		21,600	43,200		21,600	43,200
	Change	0	(1,450)	(2,900)	0	(1,450)	(6,610)	(21,600)	(26,760)	(31,920)	(21,600)	(26,760)	(31,920)
237.50	Consumer deposit interest	13,051	14,428	15,841	17,181	18,533	1,988	3,612	5,330	6,857	8,504	10,032	11,589
	Prior year	12,619	13,960	15,311	16,478	17,946	1,987	3,648	5,397	7,006	8,577	10,108	11,655
	Change	432	468	530	703	587	1	(36)	(67)	(149)	(73)	(76)	(66)
241.00	Federal income tax withheld												
	Prior year												
	Change	0	0	0	0	0	0	0	0	0	0	0	0
241.10	State inc tax withheld	2,065	(3,933)	(3,933)									
	Prior year	1,865											
	Change	200	(3,933)	(3,933)	0	0	0	0	0	0	0	0	0
241.20	Occupation tax withheld		29	1,031	1,978	45	981	2,571	17	1,027	2,001	33	1,164
	Prior year			945	1,866		951	1,978		914	1,849	14	1,074
	Change	0	29	86	112	45	30	593	17	113	152	19	90
242.00	Misc accrued liabilities	(3,360)	(3,360)	(3,360)	(3,360)				(3,360)	(3,360)	(3,360)	(3,360)	(3,360)
	Prior year					0	0	0	3,360	3,360	3,360	3,360	3,360
	Change	(3,360)	(3,360)	(3,360)	(3,360)								
242.10	Accrued vacation	108,353	108,376	107,407	108,171	96,405	104,371	112,622	115,850	115,127	117,652	120,178	119,631
	Prior year	98,528	104,621	103,408	102,885	90,793	101,424	108,576	110,755	111,217	110,468	111,425	112,458
	Change	9,825	3,755	3,999	5,286	5,612	2,947	4,046	5,095	3,910	7,184	8,753	7,173
242.2	Acc payroll			3,754			36,720						
	Prior year						4,437						
	Change	0	0	3,754	0	0	32,283	0	0	0	0	0	0
****	Total Current & Accrued L	605,844	570,552	457,382	404,145	308,227	504,146	488,254	474,078	640,487	647,457	595,081	561,017
	Prior year	593,057	544,386	579,994	413,581	302,022	452,027	516,277	476,285	590,758	656,103	598,234	547,498
	Change	12,787	26,166	(122,612)	(9,436)	6,205	52,119	(28,023)	(2,207)	49,729	(8,646)	(3,153)	13,519
**** 252.00	Consumer advances for co	907,127	908,613	901,885	903,758	904,136	898,930	896,363	893,946	892,602	889,328	888,755	897,015
	Prior year	932,767	932,619	920,517	922,046	922,174	918,386	917,905	918,169	917,854	915,832	912,004	908,091
	Change	(25,640)	(24,006)	(18,632)	(18,288)	(18,038)	(19,456)	(21,542)	(24,223)	(25,252)	(26,504)	(23,249)	(11,076)
*****	Total Equities & Liabilities	65,975,052	65,785,679	65,138,505	65,763,921	67,427,627	68,578,879	67,023,115	66,240,284	67,648,969	67,189,234	67,618,833	68,158,626
	Prior year	66,185,729	65,497,568	64,622,326	65,036,355	65,373,508	66,048,273	65,649,326	66,359,082	66,089,245	66,030,508	66,281,052	66,550,265
	Change	(210,677)	288,111	516,179	727,566	2,054,119	2,530,606	1,373,789	(118,798)	1,559,724	1,158,726	1,337,781	1,608,361

Shelby Energy Cooperative
Comparison of Test Year Income Statement Account
Balances with those of the Preceding Year

Acct #	Description	August Month 1	September Month 2	October Month 3	November Month 4	December Month 5	January Month 6	February Month 7	March Month 8	April Month 9	May Month 10	June Month 11	July Month 12	Total
440.10	Residential	1,716,417	1,602,418	1,228,405	1,743,520	2,605,560	2,828,853	2,077,751	1,542,177	1,505,111	1,369,768	1,696,638	1,769,158	21,685,776
	Prior year	1,787,398	1,545,334	1,121,878	1,898,248	2,032,396	2,161,664	2,127,950	1,923,317	1,393,472	1,286,834	1,531,799	1,700,094	20,510,384
	Change	(70,981)	57,084	106,527	(154,728)	573,164	667,189	(50,199)	(381,140)	111,639	82,934	164,839	69,064	1,175,392
442.10	Small commercial	465,836	484,959	428,081	439,787	477,390	487,446	403,356	403,301	477,725	429,304	486,413	469,836	5,453,434
	Prior year	474,675	465,814	374,954	575,172	428,784	449,027	444,456	450,409	424,906	440,712	484,839	466,550	5,480,298
	Change	(8,839)	19,145	53,127	(135,385)	48,606	38,419	(41,100)	(47,108)	52,819	(11,408)	1,574	3,286	(26,864)
442.20	Large commercial	828,904	860,007	719,093	745,317	714,477	778,798	662,681	744,523	779,614	875,436	850,345	814,042	9,373,237
	Prior year	815,998	807,870	691,530	1,119,063	683,901	772,984	680,412	791,769	795,918	848,215	892,501	808,154	9,708,315
	Change	12,906	52,137	27,563	(373,746)	30,576	5,814	(17,731)	(47,246)	(16,304)	27,221	(42,156)	5,888	(335,078)
444.2	Public lighting	2,068	2,134	2,072	2,158	2,219	2,127	2,043	2,094	2,230	2,302	2,198	2,230	25,875
	Prior year	1,880	1,907	1,844	2,206	1,927	1,941	1,918	2,066	2,080	2,150	2,124	2,102	24,145
	Change	188	227	228	(48)	292	186	125	28	150	152	74	128	1,730
450.00	Forfeit Discounts	40,786	35,089	37,970	26,381	39,021	53,010	60,055	50,729	33,508	33,448	27,006	33,222	470,225
	Prior year	36,409	33,567	36,002	20,744	28,329	40,716	44,894	46,046	49,651	36,049	26,164	33,877	432,448
	Change	4,377	1,522	1,968	5,637	10,692	12,294	15,161	4,683	(16,143)	(2,601)	842	(655)	37,777
454	Joint use rents	17,423	23,239	23,562	14,984	(29,125)	40,106	20,380	20,380	20,380	20,380	20,380	20,380	212,469
	Prior year	14,229	19,659	19,972	11,656	11,656	53,928	22,782	22,782	23,381	26,109	23,082	60,658	309,894
	Change	3,194	3,580	3,590	3,328	(40,781)	(13,822)	(2,402)	(2,402)	(3,001)	(5,729)	(2,702)	(40,278)	(97,425)
456.00	Other electric revenue	6,945	4,080	(2,225)	3,140	(56)	(991)	(288)	2,776	4,112	3,896	3,676	(8,026)	17,039
	Prior year	1,446	2,612	5,863	3,294	1,791	1,534	(268)	(1,863)	(378)	721	(3,086)	5,912	17,578
	Change	5,499	1,468	(8,088)	(154)	(1,847)	(2,525)	(20)	4,639	4,490	3,175	6,762	(13,938)	(539)
***	Total Revenues	3,078,379	3,011,926	2,436,958	2,975,287	3,809,486	4,189,349	3,225,978	2,765,980	2,822,680	2,734,534	3,086,656	3,100,842	37,238,055
	Prior year	3,132,035	2,876,763	2,252,043	3,630,383	3,188,784	3,481,794	3,322,144	3,234,526	2,689,030	2,640,790	2,957,423	3,077,347	36,483,062
	Change	(53,656)	135,163	184,915	(655,096)	620,702	707,555	(96,166)	(468,546)	133,650	93,744	129,233	23,495	754,993
***555.00	Total Purchase Power	2,396,106	2,271,859	2,194,340	2,485,404	2,799,414	3,117,976	2,615,214	2,368,239	2,047,428	1,987,134	2,247,089	2,240,244	28,770,447
	Prior year	2,566,282	2,495,610	2,048,350	2,053,244	2,295,611	2,973,110	2,665,958	2,403,367	2,070,901	1,971,638	2,262,414	2,631,182	28,437,667
	Change	(170,176)	(223,751)	145,990	432,160	503,803	144,866	(50,744)	(35,128)	(23,473)	15,496	(15,325)	(390,938)	332,780
580.00	Operations - Supervisi	6,814	5,870	6,373	13,505	6,791	8,197	6,712	7,349	7,573	7,123	7,277	6,244	89,828
	Prior year	6,196	7,117	6,136	7,520	9,077	8,875	6,529	7,351	6,845	6,960	6,773	6,871	86,250
	Change	618	(1,247)	237	5,985	(2,286)	(678)	183	(2)	728	163	504	(627)	3,578
583.00	Overhead Line Exp	30,999	30,521	37,752	33,291	44,919	47,136	32,181	40,879	46,176	40,689	41,664	43,469	469,676
	Prior year	22,293	48,961	29,308	39,580	61,112	42,327	41,199	51,106	35,207	41,613	35,457	39,064	487,227
	Change	8,706	(18,440)	8,444	(6,289)	(16,193)	4,809	(9,018)	(10,227)	10,969	(924)	6,207	4,405	(17,551)
584.	Underground	1,000	876	3,121	1,060	1,099	990	1,233	990	1,011	1,279	990	1,297	14,946
	Prior year	1,599	1,139	1,713	3,068	2,021	1,043	876	1,060	2,218	2,968	1,700	876	20,281
	Change	(599)	(263)	1,408	(2,008)	(922)	(53)	357	(70)	(1,207)	(1,689)	(710)	421	(5,335)

Shelby Energy Cooperative
Comparison of Test Year Income Statement Account
Balances with those of the Preceding Year

Acct #	Description	August Month 1	September Month 2	October Month 3	November Month 4	December Month 5	January Month 6	February Month 7	March Month 8	April Month 9	May Month 10	June Month 11	July Month 12	Total
														604
														519
585.00	Street/signal lighting	45	45	45	45	53	53	53	53	53	53	53	53	85
	Prior year	35	35	35	43	56	45	45	45	45	45	45	45	
	Change	10	10	10	2	(3)	8	8	8	8	8	8	8	
														305,605
586.00	Meter	20,376	29,789	25,597	20,692	26,065	18,938	17,614	28,376	29,878	36,268	30,934	21,078	305,605
	Prior year	19,833	20,439	24,159	29,221	26,433	25,216	17,980	25,230	30,012	25,045	23,401	26,629	293,598
	Change	543	9,350	1,438	(8,529)	(368)	(6,278)	(366)	3,146	(134)	11,223	7,533	(5,551)	12,007
														169,728
587.00	Consumer Installation	11,600	12,979	13,020	13,603	16,176	15,419	13,382	15,934	14,378	14,248	14,742	14,247	169,728
	Prior year	9,763	9,922	9,709	11,767	16,425	12,521	11,524	12,516	12,524	12,145	11,233	11,314	141,363
	Change	1,837	3,057	3,311	1,836	(249)	2,898	1,858	3,418	1,854	2,103	3,509	2,933	28,365
														214,648
588.00	Miscellaneous Distrib	13,265	12,305	13,917	25,754	17,167	17,510	14,762	25,594	24,720	15,108	18,681	15,865	214,648
	Prior year	8,372	10,542	14,176	13,145	11,746	31,336	37,253	22,592	21,505	23,472	21,467	23,708	239,314
	Change	4,893	1,763	(259)	12,609	5,421	(13,826)	(22,491)	3,002	3,215	(8,364)	(2,786)	(7,843)	(24,666)
														1,265,035
***	Total Operations	84,099	92,385	99,825	107,950	112,270	108,243	85,937	119,175	123,789	114,768	114,341	102,253	1,265,035
	Prior year	68,091	98,155	85,236	104,344	126,870	121,363	115,406	119,900	108,356	112,248	100,076	108,507	1,268,552
	Change	16,008	(5,770)	14,589	3,606	(14,600)	(13,120)	(29,469)	(725)	15,433	2,520	14,265	(6,254)	(3,517)
														20,565
590.00	Engineering & supervi	3,285	2,283	3,158	(11,100)	3,651	3,456	2,456	2,740	2,905	2,756	2,690	2,285	20,565
	Prior year	3,414	3,534	3,130	3,551	4,751	3,533	2,441	4,266	4,025	3,311	3,143	3,464	42,563
	Change	(129)	(1,251)	28	(14,651)	(1,100)	(77)	15	(1,526)	(1,120)	(555)	(453)	(1,179)	(21,998)
														917,329
593.00	Maintenance of overh	36,189	160,152	83,515	38,774	(56,296)	282,541	595,899	32,744	(526,730)	72,244	92,604	105,693	917,329
	Prior year	65,277	32,516	41,453	29,212	45,003	63,961	127,969	43,074	38,588	(11,782)	42,716	107,653	625,640
	Change	(29,088)	127,636	42,062	9,562	(101,299)	218,580	467,930	(10,330)	(565,318)	84,026	49,888	(1,960)	291,689
														632,240
593.10	Right-of-way maintan	81,577	36,863	59,615	44,262	50,968	45,615	23,516	46,200	79,292	32,748	64,009	67,575	632,240
	Prior year	24,654	31,757	31,714	30,407	36,839	25,966	28,361	67,529	55,559	59,197	59,240	71,647	522,870
	Change	56,923	5,106	27,901	13,855	14,129	19,649	(4,845)	(21,329)	23,733	(26,449)	4,769	(4,072)	109,370
														45,938
594.00	Mint of underground	4,720	4,129	4,635	3,030	3,700	3,293	995	4,979	4,778	3,653	4,154	3,872	45,938
	Prior year	6,090	4,348	8,824	7,367	6,977	9,171	3,197	8,658	7,838	6,261	3,694	6,306	78,731
	Change	(1,370)	(219)	(4,189)	(4,337)	(3,277)	(5,878)	(2,202)	(3,679)	(3,060)	(2,608)	460	(2,434)	(32,793)
														(2,114)
595.00	Transformer maintenance						(2,165)	62	472	132	447	357	(5,120)	(15,214)
	Prior year	479	262	(6,904)		0	(2,227)	5,401	(472)	(132)	(447)	(306)	5,120	13,100
	Change	(479)	(262)	6,904		0								
														4,950
597.00	Meter maintenance	417	332	386	380	361	473	287	496	514	386	473	445	4,950
	Prior year	448	402	426	394	340	497	408	472	444	389	454	475	5,149
	Change	(31)	(70)	(40)	(14)	21	(24)	(121)	24	70	(3)	19	(30)	(199)
														79,757
598.00	Maint of miscellaneous	6,973	6,618	7,696	3,922	5,267	5,028	3,590	9,616	10,217	8,645	6,620	5,565	79,757
	Prior year	4,907	5,225	4,935	5,370	7,069	7,170	6,332	10,349	8,793	4,640	5,162	8,232	78,184
	Change	2,066	1,393	2,761	(1,448)	(1,802)	(2,142)	(2,742)	(733)	1,424	4,005	1,458	(2,667)	1,573

Shelby Energy Cooperative
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Acct #	Description	August Month 1	September Month 2	October Month 3	November Month 4	December Month 5	January Month 6	February Month 7	March Month 8	April Month 9	May Month 10	June Month 11	July Month 12	Total
***	Total Maintenance	133,161	210,377	159,005	79,268	7,651	338,241	626,743	96,775	(429,024)	120,432	170,601	185,435	1,698,665
	Prior year	105,269	78,044	83,578	76,301	100,979	110,360	163,307	134,820	115,379	62,463	114,766	192,657	1,337,923
	Change	27,892	132,333	75,427	2,967	(93,328)	227,881	463,436	(38,045)	(544,403)	57,969	55,835	(7,222)	360,742
901	Supervision	3,151	3,189	3,527	6,553	3,794	5,510	3,386	3,927	3,988	3,825	3,556	2,709	47,115
	Prior year	3,983	4,363	4,089	3,899	5,745	4,818	2,601	3,119	2,987	3,107	2,903	2,853	44,467
	Change	(832)	(1,174)	(562)	2,654	(1,951)	692	785	808	1,001	718	653	(144)	2,648
902.00	Meter reading	24,767	30,070	23,026	26,707	29,094	27,732	24,885	27,137	26,247	25,679	24,287	30,804	320,435
	Prior year	26,831	25,073	29,484	21,865	28,732	25,820	24,635	26,170	24,230	25,054	29,784	20,808	308,486
	Change	(2,064)	4,997	(6,458)	4,842	362	1,912	250	967	2,017	625	(5,497)	9,996	11,949
903.00	Consumer records & c	30,077	19,611	26,588	18,846	20,823	19,267	19,491	20,544	22,250	18,727	21,714	19,715	257,653
	Prior year	33,213	31,317	26,930	28,557	31,213	32,803	19,904	28,555	24,541	22,541	26,956	25,083	331,613
	Change	(3,136)	(11,706)	(342)	(9,711)	(10,390)	(13,536)	(413)	(8,011)	(2,291)	(3,814)	(5,242)	(5,368)	(73,960)
904.00	Uncollectibles	5,901	6,194	6,216	5,993	6,386	6,635	6,382	6,707	6,686	6,913	6,807	6,594	77,414
	Prior year	5,728	5,743	5,850	5,755	6,181	5,620	5,469	5,575	5,585	5,573	5,407	5,586	68,072
	Change	173	451	366	238	205	1,015	913	1,132	1,101	1,340	1,400	1,008	9,342
***	Total Consumer Accot	63,896	59,064	59,357	58,099	60,097	59,144	54,144	58,315	59,171	55,144	56,364	59,822	702,617
	Prior year	69,755	66,496	66,353	60,076	71,871	69,061	52,609	63,419	57,343	56,275	65,050	54,330	752,638
	Change	(5,859)	(7,432)	(6,996)	(1,977)	(11,774)	(9,917)	1,535	(5,104)	1,828	(1,131)	(8,686)	5,492	(50,021)
907	Supervision	2,203	1,108	1,931	4,403	2,241	3,443	2,185	2,419	2,528	2,132	2,277	1,776	28,646
	Prior year	3,766	4,204	3,336	4,130	5,506	3,237	1,817	2,282	2,237	1,948	1,955	2,049	36,467
	Change	(1,563)	(3,096)	(1,405)	273	(3,265)	206	368	137	291	184	322	(273)	(7,821)
908.00	Consumer Assistance	6,663	5,164	5,887	6,319	5,801	9,666	5,382	6,786	6,945	7,090	9,665	10,215	85,583
	Prior year	4,896	4,581	3,914	3,695	2,810	6,065	4,248	4,381	4,975	4,131	5,968	8,172	57,836
	Change	1,767	583	1,973	2,624	2,991	3,601	1,134	2,405	1,970	2,959	3,697	2,043	27,747
909.00	Information and instru	966	1,873	2,434	3,778	1,379	826	2,715	1,499	1,178	1,315	1,672	1,504	21,139
	Prior year	626	1,485	3,109	1,592	(1,956)	204	1,611	3,688	977	1,191	1,326	732	14,585
	Change	340	388	(675)	2,186	3,335	622	1,104	(2,189)	201	124	346	772	6,554
909.00	Information and instru	1,191	2,423	878	2,726	1,428	1,170	2,171	1,673	3,343	1,560	1,436	1,084	21,083
	Prior year	597	2,243	2,266	1,536	1,109	1,481	1,030	1,029	3,634	698	1,163	1,856	18,642
	Change	594	180	(1,388)	1,190	319	(311)	1,141	644	(291)	862	273	(772)	2,441
***	Total Customer Servic	11,023	10,568	11,130	17,226	10,849	15,105	12,453	12,377	13,994	12,097	15,050	14,579	156,451
	Prior year	9,885	12,513	12,625	10,953	7,469	10,987	8,706	11,380	11,823	7,968	10,412	12,809	127,530
	Change	1,138	(1,945)	(1,495)	6,273	3,380	4,118	3,747	997	2,171	4,129	4,638	1,770	28,921
912.00	Demonstration	259	69	1,044	450	1,403	(1,468)	167	601	194	203	257	175	3,354
	Prior year	292	(845)	1,396	565	1,056	(1,111)	1,458	300	443	280	383	323	4,540
	Change	(33)	914	(352)	(115)	347	(357)	(1,291)	301	(249)	(77)	(126)	(148)	(1,186)

Shelby Energy Cooperative
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Balances with those of the Preceding Year

Acct #	Description	August Month 1	September Month 2	October Month 3	November Month 4	December Month 5	January Month 6	February Month 7	March Month 8	April Month 9	May Month 10	June Month 11	July Month 12	Total
														3,354
***	Total Sales	259	69	1,044	450	1,403	(1,468)	167	601	194	203	257	175	4,540
	Prior year	292	(845)	1,396	565	1,056	(1,111)	1,458	300	443	280	383	323	(1,186)
	Change	(33)	914	(352)	(115)	347	(357)	(1,291)	301	(249)	(77)	(126)	(148)	
920.00	Administrative salaries	19,944	13,212	18,613	14,322	14,523	18,091	16,679	17,263	23,920	20,396	21,697	18,691	217,351
	Prior year	18,260	17,544	15,250	17,137	28,478	17,399	14,437	13,372	15,994	14,116	13,765	23,736	209,488
	Change	1,684	(4,332)	3,363	(2,815)	(13,955)	692	2,242	3,891	7,926	6,280	7,932	(5,045)	7,863
921.00	Office supplies & exp	1,368	1,256	2,148	1,456	1,568	2,295	1,981	1,188	1,675	1,174	2,142	1,532	19,783
	Prior year	2,244	1,414	1,373	1,137	(2,478)	2,019	1,964	1,701	1,884	1,328	1,360	1,706	15,652
	Change	(876)	(158)	775	319	4,046	276	17	(513)	(209)	(154)	782	(174)	4,131
923.00	Outside services	5,598	10,417	49,932	33,954	(3,110)	18,487	5,510	27,292	(4,203)	18,309	20,143	32,990	215,319
	Prior year	3,179	2,948	1,490	2,823	3,427	3,699	2,322	9,280	4,194	4,680	2,089	5,265	45,396
	Change	2,419	7,469	48,442	31,131	(6,537)	14,788	3,188	18,012	(8,397)	13,629	18,054	27,725	169,923
925.00	Injuries & damages	(2,214)									893	4,660	(3,340)	(2,214)
	Prior year										(893)	(4,660)	3,340	2,213
	Change	(2,214)	0	0	0	0	0	0	0	0				(4,427)
926.00	Employee benefits						14	(14)				96	(96)	0
	Prior year	133	(136)	(3)	(115)	120			0	0	0	96	(96)	(1)
	Change	(133)	136	3	115	(120)								1
930.2	Miscellaneous general	28,555	28,267	10,626	6,041	8,543	4,262	5,093	7,091	8,697	12,394	24,536	20,579	164,684
	Prior year	12,288	7,782	4,103	4,652	10,143	9,948	9,029	12,131	14,544	15,670	29,236	27,325	156,851
	Change	16,267	20,485	6,523	1,389	(1,600)	(5,686)	(3,936)	(5,040)	(5,847)	(3,276)	(4,700)	(6,746)	7,833
930.21	Dues associated organ	10,861	7,832	10,934	10,877	10,868	10,850	10,856	10,845	10,842	10,943	9,959	10,872	126,539
	Prior year	10,465	10,349	10,680	10,638	10,164	10,483	10,679	10,689	10,698	10,698	12,981	10,833	129,357
	Change	396	(2,517)	254	239	704	367	177	156	144	245	(3,022)	39	(2,818)
930.30	Director fees and expe	9,503	7,555	8,789	7,938	8,526	7,826	4,184	7,027	7,698	4,000	11,524	4,663	89,233
	Prior year	7,895	8,574	6,195	9,077	9,384	7,507	5,569	8,458	7,591	7,635	5,137	10,159	93,181
	Change	1,608	(1,019)	2,594	(1,139)	(858)	319	(1,385)	(1,431)	107	(3,635)	6,387	(5,496)	(3,948)
931.00	Rents	475	475	475	475	475	475	475	475	475	475	475	475	5,700
	Prior year	450	450	450	450	475	475	475	475	475	475	475	475	5,600
	Change	25	25	25	25	0	0	0	0	0	0	0	0	100
935.00	Maint general plant	3,057	5,789	11,316	(1,145)	8,728	8,241	3,933	5,992	10,620	5,991	7,249	17,386	87,157
	Prior year	3,648	6,246	4,843	2,910	3,085	11,897	9,297	7,680	18,304	3,513	4,852	7,208	83,483
	Change	(591)	(457)	6,473	(4,055)	5,643	(3,656)	(5,364)	(1,688)	(7,684)	2,478	2,397	10,178	3,674
999.00	Payroll hours clearing	6,244		(3)		3					(335)	(998)	(3,011)	6,244
	Prior year		(9,839)	5,390	9,839	(5,390)	(5,730)	3,829			335	998	3,011	(6,245)
	Change	6,244	9,839	(5,393)	(9,839)	5,393	5,730	(3,829)	0	0				12,489

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Acct #	Description	August Month 1	September Month 2	October Month 3	November Month 4	December Month 5	January Month 6	February Month 7	March Month 8	April Month 9	May Month 10	June Month 11	July Month 12	Total
***	Total Administrative & Prior year Change	83,391 58,562 24,829	74,803 45,332 29,471	112,830 49,771 63,059	73,918 58,548 15,370	50,124 57,408 (7,284)	70,541 57,697 12,844	48,697 57,601 (8,904)	77,173 63,786 13,387	59,724 73,684 (13,960)	73,682 58,673 15,009	97,821 73,557 24,264	107,092 80,356 26,736	929,796 734,975 194,821
403.60	Distribution depreciati Prior year Change	144,968 138,778 6,190	145,305 139,569 5,736	145,790 140,008 5,782	146,187 140,362 5,825	146,781 140,749 6,032	146,984 141,146 5,838	147,469 142,228 5,241	147,786 142,656 5,130	148,108 143,211 4,897	148,424 143,714 4,710	149,185 144,342 4,843	149,516 144,492 5,024	1,766,503 1,701,255 65,248
403.70	General depreciation Prior year Change	5,205 5,223 (18)	5,205 5,223 (18)	5,231 5,223 8	5,232 5,223 9	5,233 5,223 10	5,233 5,226 7	5,196 5,185 11	5,205 5,185 20	5,360 5,196 164	5,360 5,197 163	5,360 5,197 163	5,389 5,196 193	63,209 62,497 712
***	Total Depreciation Prior year Change	150,173 144,001 6,172	150,510 144,792 5,718	151,021 145,231 5,790	151,419 145,585 5,834	152,014 145,972 6,042	152,217 146,372 5,845	152,665 147,413 5,252	152,991 147,841 5,150	153,468 148,407 5,061	153,784 148,911 4,873	154,545 149,539 5,006	154,905 149,688 5,217	1,829,712 1,763,752 65,960
408.70	Regulatory Prior year Change	2,884 2,645 239	2,884 2,645 239	2,884 2,645 239	2,884 4,067 (1,183)	2,884 4,067 (1,183)	2,972 2,884 88	2,972 2,884 88	2,972 2,884 88	2,972 2,884 88	2,972 2,884 88	2,972 2,884 88	2,972 2,884 88	35,224 36,257 (1,033)
***	Total Tax Expense - O Prior year Change	2,884 2,645 239	2,884 2,645 239	2,884 2,645 239	2,884 4,067 (1,183)	2,884 4,067 (1,183)	2,972 2,884 88	2,972 2,884 88	2,972 2,884 88	2,972 2,884 88	2,972 2,884 88	2,972 2,884 88	2,972 2,884 88	35,224 36,257 (1,033)
427.10	RUS interest Prior year Change	48,179 51,369 (3,190)	60,500 56,800 3,700	60,500 56,800 3,700	44,615 48,217 (3,602)	53,514 56,800 (3,286)	69,361 60,500 8,861	44,978 35,740 9,238	67,997 60,500 7,497	69,361 60,500 8,861	33,346 53,173 (19,827)	70,725 60,500 10,225	69,361 60,500 8,861	692,437 661,399 31,038
427.20	CFC interest Prior year Change	20,274 20,652 (378)	21,600 23,050 (1,450)	21,600 23,050 (1,450)	19,462 19,839 (377)	21,600 23,050 (1,450)	16,440 21,600 (5,160)	2,194 20,462 (18,268)	16,440 21,600 (5,160)	16,440 21,600 (5,160)	28,185 21,072 7,113	16,440 21,600 (5,160)	16,440 21,600 (5,160)	217,115 259,175 (42,060)
427.30	FFB interest Prior year Change	61,600 66,500 (4,900)	65,900 59,126 6,774	61,600 66,500 (4,900)	61,600 66,500 (4,900)	65,019 58,274 6,745	58,919 61,600 (2,681)	58,919 61,600 (2,681)	65,919 66,691 (772)	58,919 61,600 (2,681)	58,919 61,600 (2,681)	67,026 65,815 1,211	58,919 61,600 (2,681)	743,259 757,406 (14,147)
***	Total Interest on Long- Prior year Change	130,053 138,521 (3,568)	148,000 138,976 9,024	143,700 146,350 (2,650)	125,677 134,556 (8,879)	140,133 138,124 2,009	144,720 143,700 1,020	106,091 117,802 (11,711)	150,356 148,791 1,565	144,720 143,700 1,020	120,450 135,845 (15,395)	154,191 147,915 5,065	144,720 143,700 3,701	1,652,811 1,677,980 (25,169)
431.00	Short-term loans Prior year Change				1,946	2,767	2,035	2,762	2,314	4,227	4,638	5,552	6,412	32,653 6,128 26,525
431.10	Interest - customer dep Prior year Change	1,882 1,951 (69)	1,840 1,801 39	1,908 1,865 43	1,793 1,783 10	1,841 1,847 (6)	1,870 1,867 3	1,714 1,770 (56)	1,883 1,942 (59)	1,850 2,073 (223)	1,880 1,863 17	1,817 1,806 11	1,891 1,874 17	22,169 22,442 (273)

Shelby Energy Cooperative
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Acct #	Description	August Month 1	September Month 2	October Month 3	November Month 4	December Month 5	January Month 6	February Month 7	March Month 8	April Month 9	May Month 10	June Month 11	July Month 12	Total
424.10	Patronage capital - other		36,834			29,917		16,616				6,352	1,966	91,685
	Prior year		57,999				6,986	14,156	10,425	(80)				89,486
	Change	0	(21,165)	0	0	29,917	(6,986)	2,460	(10,425)	80	0	6,352	1,966	2,199
***	Total Other Patronage	0	36,834	0	0	29,917	0	16,616	0	0	0	6,352	1,966	91,685
	Prior year	0	57,999	0	0	0	6,986	14,156	10,425	(80)	0	0	0	89,486
	Change	0	(21,165)	0	0	29,917	(6,986)	2,460	(10,425)	80	0	6,352	1,966	2,199
*****	Net Margins	27,335	30,343	(495,194)	(126,935)	783,233	180,137	(464,542)	(274,442)	642,300	89,892	75,103	92,796	560,026
	Prior year	7,155	(134,377)	(375,955)	991,661	249,570	(144,167)	7,001	150,980	(25,601)	88,586	62,476	(267,816)	609,513
	Change	20,180	164,720	(119,239)	(1,118,596)	533,663	324,304	(471,543)	(425,422)	667,901	1,306	12,627	360,612	(49,487)

ACCOUNT	DESCRIPTION	AMOUNT
107.20	CONSTRUCTION WORK IN PROGRESS	498,795.58
107.28	CONSTRUCTION OVERHEAD INDIRECT	0.00
108.60	ACC PROVISION FOR DEPR-DIST PLANT	9,689,799.37-
108.70	ACC PROVISION FOR DEPR-GEN.PLANT	1,678,563.23-
108.80	RETIREMENT WORK IN PROGRESS	32,359.28
108.88	RETIREMENT OVERHEAD INDIRECT	0.00
123.10	INVEST IN ASSOC ORG PATR CAP EKP	6,371,937.10
123.20	INVEST IN ASSOC ORG PTR CAP KAEC	38,787.05
123.22	INVESTMENTS CAPITAL TRM CERT.CFC	648,806.72
123.23	OTHER INVEST.IN ASSOC.ORGANIZATN	8,700.00
123.24	OTHER INVEST ENVISION ENERGY SER	25,000.00
123.25	EQUITY INVESTMENT - C.R.C.	20,000.00
123.30	INVEST ASSOC ORG PAT CAP U.U.S.	328,813.08
123.40	INVEST ASSOC ORG PAT CAP C.F.C.	149,722.45
123.42	INVEST ASSOC ORG PAT CAP C.R.C.	5,827.94
123.60	INVEST ASSOC ORG PAT CAP NISC	33,027.07
123.65	INVEST ASSOC ORG PAT CAP SEDC	31,788.61
123.90	INVEST RUS RURAL ECONOMIC DEVMNT	451,000.00
123.91	INVEST SUBSID. S E S EARNINGS	552,963.77-
123.92	INVEST SUBSID. SES CAPITAL STOCK	1,379,000.00
124.00	OTHER INVESTMENTS	66,008.42
124.10	INVESTMENT-CFC MEMBER CAP. SEC.	25,000.00
131.00	CASH-PAYROLL-CITIZENS UNION BANK	0.01
131.10	CASH-GEN.FNDS-CITIZENS UNION BNK	1,140,035.55
131.13	CASH-ECON.DEV.COOP FUND-C.U.B	158,839.50
131.20	CASH-RUS / CFC CONSTRUCTION FUND	0.00
131.30	CASH-GEN.FND-BEDFORD LN / DEP.BK	25,772.88
131.40	CASH - TRANSFER OF FUNDS	56,000.00
131.60	CASH-CAPITAL CREDIT REFUNDS	4,592.34
134.00	OTHER SPECIAL DEPOSITS	425.00
135.00	WORKING FUNDS - PERMANENT	4,550.00
136.30	TEMP CASH INVEST CFC COM PAPER	930,613.22
142.00	ACCOUNTS RECEIVABLE - CONSUMERS	3,459,957.07
142.42	LOAD MANAGEMENT CREDITS	25.00
143.00	ACCOUNTS RECEIVABLE - OTHER	123,478.91
143.10	ACCOUNTS RECEIVABLE - ACRE CONT.	1,209.64-
143.11	ACCT REC-SHELBY ENERGY SERVICES	2,500.81
143.13	ACCOUNTS REC - OTHER - MEDICAL	991.94-
143.14	ACCT.REC-OTHER-EMPLOYEE PURCHASE	273.34-
143.20	ACCT REC-OTHER GROUP INS & 401K	55.61
143.21	ACCOUNTS REC - OTHER - RETIREES	686.24-
143.40	ACCOUNTS RECEIVABLE-MATERIAL SLD	134.83-
143.50	ACCOUNTS RECEIVABLE VOUCHERS	818.14
143.60	ACCOUNTS RECEIVABLE - F.E.M.A.	428,602.77
143.81	DIRECTOR AND ATTY-GUEST REIMBRMT	0.00
144.10	ACCUM PROV UNCOLLECT RES/SM COM	10,129.81
144.11	ACCUM PROV FOR UNCOLL LG POWER	342,541.38-
154.00	MATERIAL AND SUPPLIES - ELECTRIC	294,180.63
155.10	MERCHANDISE RESALE MARKETING PGM	1,151.09

ACCOUNT	DESCRIPTION	AMOUNT
163.00	STORES EXPENSE CLEARING ACCOUNT	0.00
165.10	PREPAID INSURANCE	20,287.77
165.20	OTHER PREPAYMENTS	20,559.11
165.30	PREPAID SALES AND USE TAX	33,251.33
171.00	INTEREST AND DIVIDEND RECEIVABLE	9,436.30
184.10	TRANSPORTATION CLEARING ACCOUNT	0.00
184.30	HEAVY WORK EQUIP CLEARING ACCT	0.00
186.30	MANAGEMENT AUDIT PROJECT	107,694.84
201.10	PATRONAGE CAPITAL CREDITS	23,974,183.07-
201.20	PATRONAGE CAP CREDITS ASSIGNED	647,648.24
208.00	DONATED CAPITAL	417,883.00-
208.10	GAINS - ESTATE REFUNDS	232,402.09-
208.20	GAINS - SEDC	170,612.31-
215.31	Other Comprehensive Income	419,038.00
217.00	REACQUIRED CAPITAL STOCK	161,431.20-
219.10	OPERATING MARGINS	443,248.05-
219.20	NON-OPERATING MARGINS	543,895.92-
219.21	NON-OPERATING DEFICIT	237,952.61-
224.12	OTHER LT DEBTS - CFC CONST LOAN	3,793,468.69-
224.30	LT DEBT - RUS OBLIGATION	24,893,335.34-
224.32	LONG TERM DEBT FFB OBLIGATION	15,628,163.51-
224.40	RUS NOTES EXECUTED-CONST-DEBT	9,808,000.00
224.60	ADVANCE PAYMENTS - UNAPPLIED RUS	0.00
228.30	ACCUM PROV PENSION / BEN SEC 125	2,464.28
228.31	ACC PROV PENSION / BEN-FASB 106	1,898,023.20-
228.32	ACCUM PROV BENEFIT C/A AND AEGON	355.26
228.34	ACCUM PROV BENEFITS - DENTALCARE	80.94-
232.10	ACCOUNTS PAYABLE	151,516.04-
232.11	WINTERCARE ENERGY FUND	221.93-
232.12	ACCOUNTS PAYABLE - POWER BILL	4,302,333.00-
232.90	A/P Health Reimbursement Account	2,002.61-
235.00	CONSUMER DEPOSITS	386,110.00-
236.10	ACCRUED PROPERTY TAXES	120,644.81-
236.20	ACCRUED FEDERAL UNEMPLOYMENT	41.22-
236.30	ACCRUED FICA TAX	0.00
236.40	ACCRUED STATE UNEMPLOYMENT TAX	57.81-
236.50	ACCRUED KENTUCKY SALES TAX	61,316.98-
236.61	SHELBY COUNTY SCHOOL TAX	55,811.73-
236.62	HENRY COUNTY SCHOOL TAX	16,670.77-
236.63	TRIMBLE COUNTY SCHOOL TAX	11,754.22-
236.64	CARROLL COUNTY SCHOOL TAX	2,349.49-
236.65	EMINENCE SCHOOL TAX	112.37-
236.66	SPENCER COUNTY SCHOOL TAX	167.70-
236.67	ANDERSON COUNTY SCHOOL TAX	26.21-
236.68	FRANKLIN COUNTY SCHOOL TAX	17.73-
236.69	FRANCHISE TX - SIMPSONVILLE	872.17-
236.71	FRANCHISE TX-S'VILLE-RES AND COM	2,257.96-
236.72	FRANCHISE TX-S'VILLE-LARGE POWER	4,718.16-
236.73	FRANCHISE TAX - CAMPBELLSBURG	694.61-

SHELBY ENERGY COOP. INC.
 PRG. TRBALSUM

SUMMARIZED ACCOUNT TRIAL BALANCE
 FROM 01/09 TO 07/09

ACCOUNT	DESCRIPTION	AMOUNT
236.80	DISCRETIONARY ANNUAL BONUS	43,359.32-
237.10	INTEREST ACCRUED-RUS OBLIGATION	31,148.53-
237.11	INTEREST ACCRUED FFB OBLIGATION	58,919.00-
237.30	OTHER INTEREST ACCRUED	6,411.54-
237.40	INTEREST ACCRUED CFC OBLIGATION	11,280.00-
237.50	INTEREST ACCRUED CONS. DEPOSITS	11,588.92-
241.00	ACC. FEDERAL INCOME TAX EMPLOYEE	0.00
241.10	ACC STATE INCOME TAX EMPLOYEE	0.00
241.20	ACCRUED EMPLOYEE OCCUPATIONAL TX	1,163.60-
242.00	MISC CURRENT / ACCRUED LIABILITS	0.00
242.01	PAYROLL CLEARING ACCOUNT	0.00
242.10	ACCRUED VACATION	118,285.05-
242.20	AWARDED SICK LEAVE	1,347.32-
252.20	CONS ADV PYMT 301' THRU 1000'	77,520.34-
252.30	CONS ADV PYMT ALL OVER 1000'	819,494.82-
364.00	POLES, TOWERS AND FIXTURES	18,496,900.96
365.00	OVERHEAD CONDUCTORS AND DEVICES	17,024,565.89
366.00	UNDERGROUND CONDUIT	307,518.52
367.00	UNDERGROUND CONDUCTORS / DEVICES	3,339,955.47
368.00	LINE TRANSFORMERS	8,718,268.72
369.00	SERVICES	9,242,034.66
370.00	METERS	1,458,359.77
371.00	INSTALLATION ON CONS PREMISES	1,642,267.30
373.00	STREET LIGHTS AND SIGNAL SYSTEM	58,916.23
389.00	LAND AND LAND RIGHTS (NEW OFFICE)	20,010.19
389.10	LAND AND LAND RIGHTS	2,075.00
390.00	STRUCTURES AND IMPROVEMENTS	1,161,595.16
390.10	STRUCTURE AND IMPROVEMENTS-LEASE	9,820.04
391.00	OFFICE FURNITURE AND FIXTURES	299,009.33
392.00	TRANSPORTATION EQUIPMENT	1,229,798.50
393.00	STORES EQUIPMENT	5,020.97
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	18,421.70
395.00	LABORATORY EQUIPMENT	83,197.10
396.00	POWER OPERATED EQUIPMENT	136,635.00
397.00	COMMUNICATIONS EQUIPMENT	193,200.70
399.00	MISCELLANEOUS EQUIPMENT	30,686.60
403.60	DEPR. EXPENSE-DISTRIBUTION PLANT	1,766,504.03
403.70	DEPR. EXPENSE - GENERAL PLANT	63,208.76
408.50	TAXES - STATE ASSESSMENT	35,224.00
416.00	COST AND EXP. FROM MERCHANDISING	5,395.23
417.00	MANAGEMENT/CONSULTING SERVICES	2,000.00-
418.10	EQUITY EARNINGS-SUBSIDIARY - SES	50,212.02-
418.20	EQUITY EARNINGS-SUBSID ENVISION	510.00-
419.00	INVESTMENT AND DIVIDEND INCOME	47,983.48-
421.10	GAIN ON DISPOSITION OF PROPERTY	0.00
421.20	LOSS ON DISPOSITION OF PROPERTY	112,709.88

ACCOUNT	DESCRIPTION	AMOUNT
423.00	G AND T CAPITAL CREDITS	350,180.00-
424.00	OTHER CAPITAL CR / PAT DIVIDENDS	91,685.48-
426.10	DONATIONS	51.40
426.40	CIVIC,POLITICAL / RELATED ACTVTS	3,510.97
427.10	INTEREST ON REA CONSTRUCTION LN	692,438.02
427.20	INTEREST ON CFC CONSTRUCTION LN	217,114.43
427.30	INTEREST ON FFB CONSTRUCTION LN	743,258.46
430.00	INT ON DEBT TO ASSOC ORGANIZATNS	32,653.74
431.10	INTEREST EXP.-CONSUMER DEPOSITS	22,169.61
440.10	RESIDENTIAL SALES-RESIDENTIAL	21,685,775.32-
442.10	COMMERCIAL / INDUSTRIAL SALES-SM	5,453,433.83-
442.20	COMMERCIAL / INDUSTRIAL SALES-LG	9,373,238.18-
444.00	PUBLIC STREET / HIGHWAY LIGHTING	25,876.41-
450.00	FORFEITED DISCOUNTS	470,226.53-
454.00	RENT FROM ELECTRIC PROPERTY	212,470.11-
456.00	OTHER ELECTRIC REVENUE	17,039.31-
555.00	PURCHASE POWER	28,770,447.00
580.00	OPERATION,SUPERVISION AND ENGR.	89,828.32
583.00	OVERHEAD LINE EXPENSE	469,676.39
584.00	UNDERGROUND LINE EXPENSE	14,946.72
585.00	STREET LIGHTING / SIGNAL EXPENSE	604.15
586.00	METER EXPENSE	242,795.84
586.10	METER TESTING	45,929.95
586.20	METERS CHANGED FOR TESTING	4,776.87
586.30	METER RECORD KEEPING(D.GRAHAM)	12,105.79
587.00	CONSUMER INSTALLATION EXPENSE	169,728.35
588.00	MISCELLANEOUS DISTRIBUTION EXP.	214,649.06
590.00	MAINTENANCE-SUPERVISION / ENGR.	20,563.25
593.00	MAINTENANCE OF OVERHEAD LINES	917,329.67
593.10	PATROLLING - PLANNED	75,678.65
593.20	O.C.R. MAINTENANCE - PLANNED	2,378.49
593.30	RIGHT OF WAY - PLANNED	520,664.13
593.35	RIGHT OF WAY - SPRAYING	33,205.34
593.40	AIR PATROL	90.41
593.50	TREATMENT OF POLES	225.75
594.00	MAINTENANCE OF UNDERGROUND LINES	45,938.69
595.00	MAINTENANCE OF LINE TRANSFORMERS	2,113.83-
597.00	MAINTENANCE OF METERS	4,949.24
598.00	MAINTENANCE OF MISC. DIST. PLANT	79,758.25
599.99	CLEARING ACCOUNT FOR BALANCING	0.00
901.00	SUPERVISION	47,117.01
902.00	METER READING EXPENSE	320,432.46
903.00	CONSUMER RECORDS / COLLECT. EXP.	257,653.90
904.00	UNCOLLECTIBLE ACCOUNTS	77,415.75
907.00	SUPERVISION	28,645.45
908.00	CUSTOMER ASSISTANCE EXPENSE	85,584.00
909.00	INFORMATIONAL / INSTRUCTIONAL EP	21,138.92
910.00	MISCELLANEOUS CUSTOMER SERV.EXP.	21,084.60
912.00	DEMONSTRATING / SELLING EXPENSE	3,354.89

SHELBY ENERGY COOP. INC.
PRG. TRBALSUM

SUMMARIZED ACCOUNT TRIAL BALANCE
FROM 08/08 TO 07/09

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ACCOUNT	DESCRIPTION	AMOUNT
920.00	ADMINISTRATIVE / GENERAL SALARY	217,352.62
921.00	OFFICE SUPPLIES AND EXPENSE	19,782.41
921.10	OFFICE SUPPLIES / EXP.-CLEARING	0.00
923.00	OUTSIDE SERVICES EMPLOYED	215,319.57
925.00	INJURIES AND DAMAGES	2,213.99-
926.10	EMPLOYEE PENSIONS / BENEFIT CLR	0.00
930.20	MISCELLANEOUS GENERAL EXPENSE	164,684.01
930.21	MISC.GENERAL EXP-DUES/MAGAZINE	126,538.06
930.30	DIRECTORS FEES AND EXPENSES	89,233.93
931.00	RENTS	5,700.00
935.10	MAINT.OF STRUCTURES / IMPROVMTS	47,237.43
935.20	MAIN.OF OFFICE FURNITURE / FIXTS	17,032.28
935.30	MAIN.OF COMMUNICATIONS EQUIPMENT	7,576.69
935.40	MAIN. OF GENERAL PROPERTY	15,314.22
999.00	PAYROLL EST. HRS. CLEARING ACCT.	6,243.89
	ACCOUNTS 000.00 TO 399.99	560,007.56
	ACCOUNTS 400.00 TO 999.99	560,007.56-

Shelby Energy Cooperative, Inc. Case No. 2009 - 00410													
Comparative Capital Structure (Excluding JDIC) For the Periods as Shown "000" Omitted													
Line No.	Type of Capital	1998 10th Year		1999 9th Year		2000 8th Year		2001 7th Year		2002 6th Year		2003 5th Year	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1	Long Term Debt	17,143	49%	17,995	49%	20,768	53%	22,282	54%	23,657	52%	25,675	52%
2	Short Term Debt	3,040	9%	2,559	7%	1,809	5%		0%	500	1%	58	0%
3	Memberships		0%		0%		0%		0%		0%		0%
4	Patronage Capital	15,067	43%	16,273	44%	16,823	43%	19,084	46%	21,679	47%	23,400	48%
5	Other (Itemize by type)		0%		0%		0%		0%		0%		0%
6	Total Capitalization	35,250	100%	36,827	100%	39,400	100%	41,366	100%	45,836	100%	49,133	100%

Line No.	Type of Capital	2004 4th Year		2005 3rd Year		2006 2nd Year		2007 1st Year		2008 Test year		Latest Quarter Jun 30, 2009		Average Test Year	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1	Long Term Debt	26,906	53%	28,984	53%	34,357	58%	34,142	57%	35,080	58%	34,563	58%	34,528	58%
2	Short Term Debt		0%	1,286	2%		0%		0%		0%	0	0%	0	0%
3	Memberships		0%		0%		0%		0%		0%	0	0%	0	0%
4	Patronage Capital	23,622	47%	24,295	45%	24,928	42%	25,323	43%	25,133	42%	25,372	42%	25,065	42%
5	Other (Itemize by type)		0%		0%		0%		0%		0%		0%	0	0%
6	Total Capitalization	50,528	100%	54,565	100%	59,285	100%	59,465	100%	60,213	100%	59,935	100%	59,592	100%

Shelby Energy Cooperative, Inc.
 Case No. 2009 - 00410
 Calculation of Average Test Period Capital Structure
 12 months ended July 31, 2009

Line No.	Item (a)	Total Capital (b)	Long-Term Debt (c)	Short-Term Debt (d)	Memberships (e)	Common Stock (f)	Patronage Capital (g)	Total Common Equity (h)
1	Balance Beginning of Test year	59,763	34,586				25,177	
2	1st month	59,653	34,451				25,202	
3	2nd month	59,575	34,348				25,227	
4	3rd month	59,051	34,321				24,730	
5	4th month	58,516	34,190				24,326	
6	5th month	58,961	33,828				25,133	
7	6st month	60,361	35,051				25,310	
8	7th month	59,761	34,917				24,844	
9	8th month	59,323	34,754				24,569	
10	9th month	59,931	34,723				25,208	
11	10th month	59,940	34,646				25,294	
12	11th month	59,903	34,537				25,366	
13	12th month	59,963	34,507				25,456	
14	Total (Line 1 through Line 13)	774,701	448,859	0	0	0	325,842	0
15	Average balance (Line 14/13)	59,592	34,528	0	0	0	25,065	0
16	Average capitalization ratios	100%	58%	0%	0%	0%	42%	0%
17	End of period capitalization ratios	100%	58%	0%	0%	0%	42%	0%

Shelby Energy Cooperative
Case No. 2009-00410
July 31, 2009

Payroll Adjustment

To reflect the increase granted by the Board of Directors, the step increases granted and promotions during the year. To give recognition to employees terminated and employees hired during the test year. Overtime pay is calculated at 1-1/2 times regular pay rate for hours worked in excess of 8 hours per day.

Temporary employees are used for certain busy times of the month, or when an employee has scheduled vacation time off. This is expected to continue into the future.

There were no union employees until August 1, 2009.

Wage and salary increases are as follows:

	<u>Increase</u>
2009	2.00%
2008	2.60%
2007	2.50%
2006	2.50%
2005	3.50%

The amount of increase was allocated based on the actual test year.

Projected wages	\$2,288,268
Actual wages for test year	<u>2,185,841</u>
Adjustment	<u><u>\$102,427</u></u>

The allocation is on the following page:

Shelby Energy Cooperative
Case No. 2009-00410

Allocation of increase in payroll:

		Labor		
		<u>Distribution</u>	<u>Percent</u>	<u>Allocation</u>
10	107.20	Construction work in progress	691,029	31.6% 32,381
11	108.80	Retirement work in progress	88,226	4.0% 4,134
12	143.00	Receivable from others	1,941	0.1% 91
13	163.00	Stores	67,038	3.1% 3,141
14	184.00	Transportation	162	0.0% 8
15	242.52	Employee sick leave/vacation	109,291	5.0% 5,121
16	580.00	Operations	56,141	
17	583.00	Overhead line	53,011	
18	584.00	Underground	0	
19	586.00	Meter	142,649	
20	587.00	Installations	34,219	
21	588.00	Miscellaneous distribution	36,348	14.7% 15,106
22	590.00	Maintenance	10,876	
23	593.00	Overhead line	451,611	
24	594.00	Underground	24,097	
25	595.00	Transformers	28	
26	597.00	Street lights	2,997	
27	598.00	Miscellaneous maintenance	42,479	24.3% 24,933
28	901.00	Supervision	30,366	
29	902.00	Meter reading	37,867	
30	903.00	Consumer records	58,232	
31	904.00	Consumer records	13,267	6.4% 6,548
32	907.00	Supervision, Customer service	18,483	
33	908.00	Consumer accounting	42,529	
34	909.00	Consumer information	4,540	
35	910.00	Misc customer information	7,033	3.3% 3,401
36	912.00	Customer demonstration	1,608	0.1% 75
37	920.00	Administrative	123,684	
38	926.00	Employee benefits	11,448	
39	930.00	Miscellaneous	23,794	
40	935.00	Maintenance general plant	847	7.3% 7,487
41				
42		Total	<u>2,185,841</u>	<u>100.0%</u> <u>102,426</u>

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Shelby Energy Cooperative
Case No. 2009-00410
Employee Earnings and Hours
July 31, 2009

Employee Number	Hours Worked Test Year				Actual Test Year Wages					Wage Rate 1-Nov-09	Normalized Wages @ 2,080 Hours				
	Regular	Overtime	Vac Pay	Total	Regular	Overtime	Vac Pay	Storm & Christmas	Total		Regular	Overtime	Vac Pay	Total	
	Salaried Employees:														
1	101	2,080.00			2,080.00	91,418			1,709	93,127	45.23	94,078	0	94,078	
1	305	2,080.00			2,080.00	56,919			1,709	58,628	29.99	62,379	0	62,379	
1	1301	2,080.00			2,080.00	85,389			1,709	87,098	42.40	88,192	0	88,192	
1	1307	2,080.00			2,080.00	113,385			1,709	115,094	57.71	120,037	0	120,037	
1	1501	2,080.00			2,080.00	49,028			1,709	50,737	24.91	51,813	0	51,813	
1	2301	2,080.00			2,080.00	65,805			1,709	67,514	32.96	68,557	0	68,557	
6	Subtotal Salaried	12,480.00	0.00	0.00	12,480.00	461,944	0	0	10,254	472,198		485,056	0	485,056	
Hourly Employees:															
1	208	2,080.00	220.00		2,300.00	44,612	8,850		1,709	55,171	22.62	47,050	7,465	0	54,514
1	210	2,080.00	667.00		2,747.00	42,688	23,190		1,709	67,587	22.41	46,613	22,421	0	69,034
1	302	2,080.00	983.00		3,063.00	61,319	47,755		1,709	110,783	30.92	64,314	45,592	0	109,905
1	304	2,080.00	87.75		2,167.75	37,496	2,157		1,709	41,362	18.49	38,459	2,434	0	40,893
1	306	2,080.00	726.00		2,806.00	42,688	25,090		1,709	69,487	22.41	46,613	24,404	0	71,017
1	307	520.00	18.25		538.25	10,899	574			11,473	21.59	44,907	591	0	45,498
1	403	2,096.00	44.00		2,140.00	34,535	1,302		1,709	37,546	17.47	36,338	1,153	0	37,491
1	501	2,080.00	237.50		2,317.50	49,489	10,092		1,709	61,290	26.86	55,869	9,569	0	65,438
1	503	1,760.00	424.00		2,184.00	46,542	20,080		1,709	68,331	28.21	58,677	17,942	0	76,618
1	702	2,080.00	250.00		2,330.00	65,770	14,100		1,709	81,579	33.26	69,181	12,473	0	81,653
1	705	2,080.00	39.00		2,119.00	40,112	893		1,709	42,714	20.74	43,139	1,213	0	44,352
1	706	2,080.00	867.50		2,947.50	60,789	41,972		1,709	104,470	30.62	63,690	39,844	0	103,534
1	801	2,080.00	207.00		2,287.00	45,961	6,724		1,709	54,394	26.01	54,101	8,076	0	62,177
1	802	1,480.00	45.50		1,525.50	27,252	1,255		75	28,582	19.46	40,477	1,328	0	41,805
1	1002	2,080.00	224.25		2,304.25	40,845	6,401		1,709	48,955	21.24	44,179	7,145	0	51,324
1	1201	424.00	6.00		430.00	6,831	145			6,976	16.43	34,174	148	0	34,322
1	1304	2,080.00	789.00		2,869.00	61,319	38,871		1,709	101,899	30.62	63,690	36,239	0	99,928
1	1306	2,080.00	79.25		2,159.25	45,724	2,347		1,709	49,780	22.48	46,758	2,672	0	49,431
1	1403	2,080.00	817.00		2,897.00	55,394	36,274		1,709	93,377	28.21	58,677	34,571	0	93,248
1	1801	2,080.00	527.00		2,607.00	55,394	24,343		1,709	81,446	28.21	58,677	22,300	0	80,977
1	1902	2,080.00	637.50		2,717.50	61,319	31,985		1,709	95,013	31.23	64,958	29,864	0	94,822
1	2006	2,064.50	577.75		2,642.25	54,965	26,432		1,709	83,106	28.21	58,677	24,447	0	83,124

Shelby Energy Cooperative
Case No. 2009-00410
Employee Earnings and Hours
July 31, 2009

Employee Number	Hours Worked Test Year				Actual Test Year Wages					Wage Rate 1-Nov-09	Normalized Wages @ 2,080 Hours				
	Regular	Overtime	Vac Pay	Total	Regular	Overtime	Vac Pay	Storm & Christmas	Total		Regular	Overtime	Vac Pay	Total	
	1	2306	2,080.00	597.75		2,677.75	61,318	30,167			1,709	93,194	31.23	64,958	28,002
1	2309	2,080.00	626.00		2,706.00	55,448	28,334		1,709	85,491	28.21	58,677	26,489	0	85,166
1	2312	2,079.97	509.50		2,589.47	45,713	19,635		1,709	67,057	23.87	49,650	18,243	0	67,892
1	2314	2,069.75	57.25		2,127.00	34,228	1,439		1,709	37,376	17.47	36,338	1,500	0	37,838
26	Subtotal hour	49,934.22	10,264.75	0.00	60,198.97	1,188,650	450,407	0	39,382	1,678,439		1,348,838	426,124.	0	1,774,963
Summer and Part Time Employees:															
1	104	667.00	3.00		670.00	6,670	45			6,715	10.00	6,670	45		6,715
1	708	543.00	6.25		549.25	7,603	130		417	8,150	14.00	7,602	131		7,733
1	1802	887.50	15.25		902.75	12,972	336		668	13,976	15.16	13,455	347		13,801
3	Subtotal sum	2,097.50	24.50	0.00	2,122.00	27,245	511	0	1,085	28,841		27,727	523	0	28,250
Retirees:															
1	2307	263.50			263.50	6,363				6,363					
1	Subtotal retir	263.50	0.00	0.00	263.50	6,363	0	0	0	6,363		0	0	0	0
Total		64,775.22	10,289.25	0.00	75,064.47	1,684,202	450,918	0	50,721	2,185,841		1,861,621	426,647	0	2,288,268

Shelby Energy Cooperative
Case No. 2009-00410
Employee Information
July 31, 2009

The following is a list of employees added during the test year, and the employees that were replaced, or reason for hiring the employees.

<u>Employee</u>	<u>Reason</u>
<u>Hired</u>	
1308	New hire for new position.
802	New hire for Information Technology department.
1201	Replaced #2307 who quit

The following is a list of employees terminated, and the date.

<u>Employee</u>	<u>Month</u>
<u>Number</u>	<u>Terminated</u>
2307	Sep-08

Shelby Energy Cooperative
Case No. 2009-00410
Compensation of Executive Officers
July 31, 2009

	<---- Salary	Test Year Percent of Increase	----> Date	Employees who Report
General Manager & CEO	117,738.00	2.0%	11/1/2009	all
VP & Engineering Manager	94,072.00	2.0%	11/1/2009	4
Operations Manager	88,186.00	2.0%	11/1/2009	14
Human Resources Manager	68,549.00	2.0%	11/1/2009	0
Office Service Manager	62,372.00	7.0%	11/1/2009	9

	<u>First Preceding Year</u>		
	<u>Salary</u>	<u>Percent of</u> <u>Increase</u>	<u>Date</u>
General Manager & CEO	115,429.00	7.6%	11/1/2008
VP, Engineering Manager	92,257.00	5.2%	11/1/2008
Operations Manager	86,457.00	5.2%	11/1/2008
Human Resources Manager	67,206.00	9.1%	11/1/2008
Office Service Manager	58,291.00	10.4%	11/1/2008

	<u>Second Preceding Year</u>		
	<u>Salary</u>	<u>Percent of</u> <u>Increase</u>	<u>Date</u>
General Manager & CEO	107,250.00	10.0%	11/1/2007
VP, Engineering Manager	87,697.00	2.5%	11/1/2007
Operations Manager	82,183.00	2.5%	11/1/2007
Human Resources Manager	61,600.00	10.0%	11/1/2007

Shelby Energy Cooperative
Case No. 2009-00410
Employee Earnings and Hours
July 31, 2009

Exhibit 1
page 7 of 9
Witness:Debbie Martin

	Employee Number	Wage Rate 01-Nov-07	Wage Rate 01-Nov-08	Percent Increase	Wage Rate 1-Nov-09	Percent Increase	Date of last Increase	Reason for increase
	Salaried Employees:							
1	101	42.16	44.35	5.2%	45.23	2.0%	11/1/2009	
1	305	25.38	28.02	10.4%	29.99	7.0%	11/1/2009	Below midpoint scale.
1	1301	39.51	41.57	5.2%	42.40	2.0%	11/1/2009	
1	1307	51.56	55.49	7.6%	57.71	4.0%	11/1/2009	Below midpoint scale.
1	1501	23.12	23.72	2.6%	24.91	5.0%	11/1/2009	Below midpoint scale.
1	2301	29.62	32.31	9.1%	32.96	2.0%	11/1/2009	
6	Subtotal Salaried employees							
	Hourly Employees:							
1	208	21.34	22.17	3.9%	22.62	2.0%	11/1/2009	
1	210	21.25	21.97	3.4%	22.41	2.0%	11/1/2009	
1	302	29.84	30.62	2.6%	30.92	1.0%	11/1/2009	
1	304	17.45	18.13	3.9%	18.49	2.0%	11/1/2009	
1	306	21.25	21.97	3.4%	22.41	2.0%	11/1/2009	
1	307		20.96	0.0%	21.59	3.0%	11/1/2009	
1	403	15.77	16.80	6.5%	17.47	4.0%	11/1/2009	Promotion pay
1	501	23.80	24.42	2.6%	26.86	10.0%	11/1/2009	Promotion pay
1	503	26.96	27.66	2.6%	28.21	2.0%	11/1/2009	
1	702	31.78	32.61	2.6%	33.26	2.0%	11/1/2009	
1	705	18.15	19.57	7.8%	20.74	6.0%	11/1/2009	Below midpoint scale.

Shelby Energy Cooperative
Case No. 2009-00410
Employee Earnings and Hours
July 31, 2009

Exhibit 1
page 8 of 9
Witness:Debbie Martin

	Employee Number	Wage Rate 01-Nov-07	Wage Rate 01-Nov-08	Percent Increase	Wage Rate 1-Nov-09	Percent Increase	Date of last Increase	Reason for increase
1	706	29.84	30.62	2.6%	30.62	0.0%	11/1/2009	
1	801	21.25	25.01	17.7%	26.01	4.0%	11/1/2009	Additional duties
1	802		18.80	0.0%	19.46	3.5%	11/1/2009	
1	1002	18.15	20.04	10.4%	21.24	6.0%	11/1/2009	Promotion pay
1	1201		16.11	0.0%	16.43	2.0%	11/1/2009	
1	1304	29.84	30.62	2.6%	30.62	0.0%	11/1/2009	
1	1306	21.48	22.04	2.6%	22.48	2.0%	11/1/2009	
1	1403	26.96	27.66	2.6%	28.21	2.0%	11/1/2009	
1	1801	26.96	27.66	2.6%	28.21	2.0%	11/1/2009	
1	1902	29.84	30.62	2.6%	31.23	2.0%	11/1/2009	
1	2006	26.96	27.66	2.6%	28.21	2.0%	11/1/2009	
1	2306	29.84	30.62	2.6%	31.23	2.0%	11/1/2009	
1	2309	26.96	27.66	2.6%	28.21	2.0%	11/1/2009	
1	2312	22.24	23.40	5.2%	23.87	2.0%	11/1/2009	
1	2314	15.77	16.80	6.5%	17.47	4.0%	11/1/2009	Below midpoint scale.

Shelby Energy Cooperative
Case No. 2009-00410

Exhibit 1
page 9 of 9
Witness: Jim Adkins

Analysis of Salaries and Wages
For the calendar years 2006 through 2008
and the Test Year

Line No	Item (a)	Twelve Months Ended						Test year 2009	
		2006		2007		2008		Amount (l)	% (m)
		Amount (f)	% (g)	Amount (h)	% (i)	Amount (j)	% (k)		
1	Wages charged to expense:	619	4%	557	-10%	698	25%	854	22%
2	Distribution expense	201	4%	171	-15%	134	-22%	140	4%
3	Customer accounts expense	65	3%	57	-12%	58	2%	73	26%
4	Customer service and and information	7	0%	1	-86%	2	100%	2	0%
5	Sales expense							124	20%
6	Administrative and general expenses:	155	1%	127	-18%	103	-19%		
	(a) Administrative and general								
	(b) Office supplies and expense								
	(c) Outside services employed								
	(d) Property insurance	91	-18%	80	-12%	18	-78%	11	-39%
	(e) Injuries and damages								
	(f) Employees hospitalization and benefits								
	(g) Retirement and security	10	-29%	6	-40%	50	733%	24	-52%
	(h) Miscellaneous general	3	0%		-100%		0%		0%
	(i) Maintenance of general plant								
7	Total administrative and general expenses L6(a) to L6(i)	259	-8%	213	-3%	171	-20%	159	-3%
8	Charged to clearing and others	171	12%	214	25%	178	-17%	179	1%
9	Total salaries and wages charged to expense and other L2 to L6 + L7 + L8	1,322	2%	1,213	-8%	1,241	2%	1,407	13%
10	Wages capitalized	747	3%	739	-1%	783	6%	779	-1%
11	Total salaries and wages	2,069	3%	1,952	-6%	2,024	4%	2,186	8%
12	Ratio of salaries and wages charged to expense to total wages L9 / L11	64%		62%		61%		64%	
13	Ratio of salaries and wages capitalized to total wages L10 / L11	36%		38%		39%		36%	
14	Overtime wages	247	29%	208	-16%	301	45%	451	50%
15	Overtime hours	6,591		5,319		7,557		11,216	

Shelby Energy Cooperative
Case No. 2009-00410
Payroll Taxes

The employer's portion of FICA and medicare rates remain the same for 2010 as they were for 2009. The FICA rate is 6.2% and medicare is 1.45%. The wage limit increased to \$106,800 in 2009 and remains \$106,800 in 2010 for FICA; all wages are subject to medicare.

Federal unemployment rates are 0.80% for the first \$7,000 of wages and state unemployment rate is 1.0% for the first \$8,000 of wages.

Proposed FICA amounts

FICA	140,859	
Medicare	33,180	
	<u>174,039</u>	
Proposed FUTA	1,958	
Proposed SUTA	2,784	178,782

Test year amount

FICA and Medicare	164,931	
Test year FUTA	2,010	
Test year SUTA	2,795	169,736

Increase		<u>9,046</u>
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Adjustment:

	<u>Percent</u>	<u>Amount</u>
107 Capitalized	35.65%	3,225
163 - 416 Clearing and others	8.16%	738
580 Operations	14.75%	1,334
590 Maintenance	24.34%	2,202
901 Consumer accounts	6.39%	578
908 Customer service	3.32%	300
912 Sales	0.07%	7
920 Administrative and general	7.31%	661
	<u>100.00%</u>	<u>\$9,046</u>

State unemployment (SUTA) wage rates are as follows:

2008	1.00%
2007	0.60%
2006	0.50%
2005	0.50%
2004	0.50%

Shelby Energy Cooperative
Case No. 2009-00410
Employee Earnings and Hours
July 31, 2009

Employee Number	Normalized Total	Social Security Wages		Medicare Wages		Federal Unemployment		State Unemployment		
		Up To \$106,800	@ 6.20%	All Wages	1.45%	Up to \$7,000	0.80%	Up to \$8,000	1.000%	
Salaried Employees:										
1	101	94,078	94,078	5,833	94,078	1,364	7,000	56	8,000	80
1	305	62,379	62,379	3,868	62,379	904	7,000	56	8,000	80
1	1301	88,192	88,192	5,468	88,192	1,279	7,000	56	8,000	80
1	1307	120,037	106,800	6,622	120,037	1,741	7,000	56	8,000	80
1	1501	51,813	51,813	3,212	51,813	751	7,000	56	8,000	80
1	2301	68,557	68,557	4,251	68,557	994	7,000	56	8,000	80
6	Subtotal Salaried	485,056	471,819	29,253	485,056	7,033	42,000	336	48,000	480
Hourly Employees:										
1	208	54,514	54,514	3,380	54,514	790	7,000	56	8,000	80
1	210	69,034	69,034	4,280	69,034	1,001	7,000	56	8,000	80
1	302	109,905	106,800	6,622	109,905	1,594	7,000	56	8,000	80
1	304	40,893	40,893	2,535	40,893	593	7,000	56	8,000	80
1	306	71,017	71,017	4,403	71,017	1,030	7,000	56	8,000	80
1	307	45,498	45,498	2,821	45,498	660	7,000	56	8,000	80
1	403	37,491	37,491	2,324	37,491	544	7,000	56	8,000	80
1	501	65,438	65,438	4,057	65,438	949	7,000	56	8,000	80
1	503	76,618	76,618	4,750	76,618	1,111	7,000	56	8,000	80
1	702	81,653	81,653	5,063	81,653	1,184	7,000	56	8,000	80
1	705	44,352	44,352	2,750	44,352	643	7,000	56	8,000	80
1	706	103,534	103,534	6,419	103,534	1,501	7,000	56	8,000	80
1	801	62,177	62,177	3,855	62,177	902	7,000	56	8,000	80
1	802	41,805	41,805	2,592	41,805	606	7,000	56	8,000	80
1	1002	51,324	51,324	3,182	51,324	744	7,000	56	8,000	80
1	1201	34,322	34,322	2,128	34,322	498	7,000	56	8,000	80

Exhibit 2
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Shelby Energy Cooperative
Case No. 2009-00410
Employee Earnings and Hours
July 31, 2009

Employee Number	Normalized Total	Social Security Wages		Medicare Wages		Federal Unemployment		State Unemployment	
		Up To \$106,800	@ 6.20%	All Wages	1.45%	Up to \$7,000	0.80%	Up to \$8,000	1.000%
1 1304	99,928	99,928	6,196	99,928	1,449	7,000	56	8,000	80
1 1306	49,431	49,431	3,065	49,431	717	7,000	56	8,000	80
1 1403	93,248	93,248	5,781	93,248	1,352	7,000	56	8,000	80
1 1801	80,977	80,977	5,021	80,977	1,174	7,000	56	8,000	80
1 1902	94,822	94,822	5,879	94,822	1,375	7,000	56	8,000	80
1 2006	83,124	83,124	5,154	83,124	1,205	7,000	56	8,000	80
1 2306	92,960	92,960	5,764	92,960	1,348	7,000	56	8,000	80
1 2309	85,166	85,166	5,280	85,166	1,235	7,000	56	8,000	80
1 2312	67,892	67,892	4,209	67,892	984	7,000	56	8,000	80
1 2314	37,838	37,838	2,346	37,838	549	7,000	56	8,000	80
26 Subtotal hour	1,774,963	1,771,857	109,855	1,774,963	25,737	182,000	1,456	208,000	2,080
Summer and Part Time Employees:									
1 104	6,715	6,715	416	6,715	97	6,715	54	6,715	67
1 708	7,733	7,733	479	7,733	112	7,000	56	7,733	77
1 1802	13,801	13,801	856	13,801	200	7,000	56	8,000	80
3 Subtotal sum	28,250	28,250	1,751	28,250	410	20,715	166	22,448	224
Retirees:									
1 2307									
1 Subtotal retire	0	0	0	0	0	0	0	0	0
Total	2,288,268	2,271,926	140,859	2,288,268	33,180	244,715	1,958	278,448	2,784

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Shelby Energy Cooperative
Case No. 2009-00410
July 31, 2009

Depreciation Expense

Depreciation is computed on a composite basis. The ending plant balance is multiplied by rates that are within RUS approved guidelines. Depreciation rates and procedures follow RUS Bulletin 183-1. Shelby Energy has never had a depreciation study performed. There are no changes proposed to the rates.

Depreciation on transportation equipment is charged to a clearing account. Transportation costs are then cleared to various accounts based on time used for each vehicle from the daily time sheets of employees driving the vehicles.

Items fully-depreciated have been removed and identified on the far right column.

Witness: Jim Adkins

Shelby Energy Cooperative
Case No. 2009-00410
July 31, 2009

Normalized depreciation accrual:

Distribution plant	1,808,664	
General plant	195,575	
Less charged to clearing	<u>(131,735)</u>	
		1,872,504

Test year depreciation accrual:

Distribution plant	1,766,504	
General plant	201,065	
Less charged to clearing	<u>(137,856)</u>	
		1,829,713

Normalized depreciation adjustment

42,791

Transportation clearing

Normalized accrual	131,735
Test year accrual	<u>137,856</u>
	<u>(6,121)</u>

The allocation of the increase in depreciation on transportation equipment is based on actual test year transportation clearing.

<u>Account</u>	<u>%</u>	<u>Amount</u>
Construction and retirement WIP	34%	(\$2,107)
Others	1%	(72)
Distribution - operations	15%	(921)
Distribution - maintenance	27%	(1,647)
Consumer accounts	7%	(423)
Consumer service and information	6%	(350)
Administrative and general	10%	(601)
Total	<u>100%</u>	<u>(\$6,121)</u>

Witness: Jim Adkins

Shelby Energy Cooperative
Case No. 2009-00410
July 31, 2009

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Account Number	Description	Test Year Balance	Existing Rate	Normalized Expense	Test Year Expense	Items Fully-Depreciated
Distribution plant:						
364	Poles, towers & fixtures	18,496,901	3.00%	554,907	540,776	
365	Overhead conductors & devices	17,024,566	3.00%	510,737	501,126	
366	Underground conduit	307,519	3.00%	9,226	9,165	
367	Underground conductor & devices	3,339,955	3.00%	100,199	98,445	
368	Line transformers	8,718,269	3.00%	261,548	255,360	
369	Services	9,242,035	3.00%	277,261	269,429	
370	Meters	1,458,360	3.00%	43,751	42,658	
371	Installations on customer premises	1,642,267	3.00%	49,268	47,789	
373	Street lights	58,916	3.00%	1,767	1,756	
		<u>60,288,788</u>		<u>1,808,664</u>	<u>1,766,504</u>	
General plant:						
389	Land	22,085				0
390	Structures and improvements	1,171,415	3.00%	35,142	34,492	38,208
391	Office furn and eqt	299,009	6.00%	15,648	14,444	242,874
392	Transportation	1,229,799	12.50%	123,366	128,983	0
393	Stores	5,021	4.80%	241	241	3,780
394	Tools, shop and garage	18,422	4.80%	703	703	36,205
395	Laboratory	83,197	4.80%	2,256	2,284	74,638
396	Power operated	136,635	13.50%	8,370	8,873	61,581
397	Communications	193,201	6.50%	8,555	9,761	4,282
398	Miscellaneous	31,260	4.80%	1,295	1,284	
		<u>3,190,044</u>		<u>195,575</u>	<u>201,065</u>	
	Total electric plant	<u>63,478,832</u>		<u>2,004,239</u>	<u>1,967,569</u>	

Items that are fully depreciated are removed from the ending balance to compute test year depreciation.

Shelby Energy Cooperative
Case No. 2009-00410
July 31, 2009

		<u>Begin</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfer</u>	<u>End</u>
Changes in electric plant:		<u>Balance</u>				<u>Balance</u>
						18,496,901
364	Poles, towers & fixtures	17,794,342	809,752	107,193		17,024,566
365	Overhead conductors & devices	16,605,815	475,511	56,760		307,519
366	Underground conduit	307,519	0			3,339,955
367	Underground conductor & devices	3,266,676	76,728	3,449		8,718,269
368	Line transformers	8,421,031	391,498	94,260		9,242,035
369	Services	8,839,224	441,871	39,060		1,458,360
370	Meters	1,404,369	56,550	2,559		1,642,267
371	Installations on customer premises	1,564,811	93,966	16,510		58,916
373	Street lights	58,916	0			60,288,788
	Subtotal distribution plant	<u>58,262,703</u>	<u>2,345,876</u>	<u>319,791</u>	<u>0</u>	
						22,085
389	Land	22,085	0			1,171,415
390	Structures and improvements	1,171,415	0			299,009
391	Office furn and eqt	260,499	38,510			1,229,799
392	Transportation	1,417,398	37,625	225,224		5,021
393	Stores	5,021	0			18,422
394	Tools, shop and garage	18,422	0			83,197
395	Laboratory	81,084	2,113			136,635
396.1	Power operated	94,141	42,494			193,201
397	Communication	182,365	10,836			30,687
398	Miscellaneous	30,687	0			3,189,471
	Subtotal general plant	<u>3,283,117</u>	<u>131,578</u>	<u>225,224</u>	<u>0</u>	63,478,259
	Total electric plant in service	<u>61,545,820</u>	<u>2,477,454</u>	<u>545,015</u>	<u>0</u>	

Shelby Energy Cooperative
Case No. 2009-00410
July 31, 2009

Changes in reserve for depreciation:

	<u>Begin Balance</u>	<u>Accrual</u>	<u>Original Cost</u>	<u>Removal Cost</u>	<u>Gain/Loss Salvage</u>	<u>Net Charge</u>	<u>End Balance</u>
Distribution plant	8,329,844	1,766,504	319,791	184,985	98,227	406,549	9,689,799
Land							856,773
Structures and improvements	822,281	34,492	0				135,483
Office furn and eqt	121,039	14,444	0				400,510
Transportation	366,274	128,983	225,224		130,477		5,201
Stores	4,960	241	0				13,860
Tools, shop and garage	13,157	703	0				61,740
Laboratory	59,456	2,284	0				70,014
Power operated	61,141	8,873	0				117,802
Communication	108,041	9,761	0				17,180
Miscellaneous	15,896	1,284	0				
Subtotal general plant	1,572,245	201,065	225,224	0	130,477	0	1,678,563
Retirement WIP	10,906			21,453		21,453	32,359
Total accumulated depreciation	9,891,183	1,967,569	545,015	163,532	228,704	385,096	11,336,003

Shelby Energy Cooperative
Case No. 2009-00410
Depreciation Guideline Curve
July 31, 2009

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<u>Year</u> <u>Ended</u>	<u>Distribution</u> <u>Plant in</u> <u>Service</u>	<u>Accumulated</u> <u>Deprec</u> <u>for</u> <u>Distribution</u>	<u>Reserve</u> <u>Ratio</u>	<u>Ratio of Current</u> <u>Distribution Plant</u> <u>to Distribution</u> <u>Plant 10 Years Prior</u>
2008	59,185,890	8,921,038	15.07%	1.78
2007	56,753,768	7,784,798	13.72%	1.85
2006	54,072,976	7,035,972	13.01%	1.95
2005	51,243,615	6,339,269	12.37%	2.01
2004	48,260,929	5,881,732	12.19%	2.10
1998	33,244,978	3,780,144	11.37%	
1997	30,602,070	3,677,050	12.02%	
1996	27,738,715	3,376,712	12.17%	
1995	25,445,554	3,291,306	12.93%	
1994	23,005,394	3,098,434	13.47%	

Shelby Energy Cooperative
Case No. 2009-00410
Analysis of Other Operating Taxes
12 Months Ended
July 31, 2009

Line No.	Item (a)	Charged Expense (b)	Charged to Construction (c)	Charged to Other Accounts (d)	Amounts Accrued (e)	Amount Paid (f)
1.	Kentucky Retail:					
	(a) State Income					
	(b) Franchise Fees					
	(c) Ad Valorem	516,630			516,630	516,630
	(d) Payroll (Employer's Portion)	95,375	60,511	13,850	169,736	169,736
	(e) Other Taxes	35,224			35,224	35,224
2.	Total Retail (L1(a) through L1(e))	647,229	60,511	13,850	721,590	721,590
3.	Other Jurisdictions Total Per Books (L2 and L3)	647,229	60,511	13,850	721,590	721,590
	Allocation of adjustment:					
583	Overhead line exp	81%	19,743			
586	Meter exp	4%	927			
587	Customer installation exp	4%	878			
588	Miscellaneous distribution exp	5%	1,167			
903	Consumer records	4%	875			
910	Misc customer service	1%	292			
921	Office supply and exp	2%	577			
		100%	24,458			

Shelby Energy Cooperative
Case No. 2009-00410
July 31, 2009

Taxing District	Assessment for 2008 Taxes			Assessment for 2007 Taxes			Increase Decrease in Taxes
	Assessed Value	Tax Rate	Tax Due	Assessed Value	Tax Rate	Tax Due	
Anderson County							
Tangible - County	27,778	0.1895	52.64	23,323	0.1895	44.20	8
Tangible - School	27,778	0.5520	153.33	23,323	0.5470	127.58	26
Tangible - Library	27,778	0.1995	55.42	23,323	0.2000	46.65	9
Tangible - Health	27,778	0.0300	8.33	23,323	0.0300	7.00	1
Tangible - Fire	27,778	0.0800	22.22	23,323	0.0800	18.66	4
Carroll County							
Real Estate - County	16,308	0.0499	8.14	16,672	0.0499	8.32	(0)
Real Estate - Common Sch	16,308	0.0540	8.81	16,672	0.4840	80.69	(72)
Real Estate - Health	16,308	0.0840	13.70	16,672	0.0540	9.00	5
Real Estate - Library	16,308	0.5000	81.54	16,672	0.0790	13.17	68
Tangible - County	2,281,977	0.1530	3,491.42	2,203,291	0.1530	3,371.04	120
Tangible - Common Schoo	2,281,977	0.5400	12,322.68	2,203,291	0.4840	10,663.93	1,659
Tangible - Health	2,281,977	0.0949	2,165.60	2,203,291	0.0540	1,189.78	976
Tangible - Library	2,281,977	0.0500	1,140.99	2,203,291	0.1099	2,421.42	(1,280)
Franklin County							
Real Estate - County	99	0.1450	0.14	102	0.1400	0.14	0
Real Estate - Common Sch	99	0.5300	0.52	102	0.5210	0.53	(0)
Real Estate - Extension	99	0.0120	0.01	102	0.0120	0.01	(0)
Real Estate - Library	99	0.0990	0.10	102	0.0930	0.09	0
Real Estate - Health	99	0.0400	0.04	102	0.0400	0.04	(0)
Real Estate - Conservation	99	0.0080	0.01	102	0.0080	0.01	(0)
Tangible - County	13,749	0.2400	33.00	13,386	0.2400	32.13	1
Tangible - Common Schoo	13,749	0.5300	72.87	13,386	0.5210	69.74	3
Tangible - Extension	13,749	0.0206	2.83	13,386	0.0193	2.58	0
Tangible - Library	13,749	0.2000	27.50	13,386	0.2000	26.77	1
Tangible - Health	13,749	0.0400	5.50	13,386	0.0400	5.35	0
Henry County							
Real Estate - County	87,197	0.1170	102.02	88,045	0.1170	103.01	(1)
Real Estate - Common Sch	87,197	0.5580	486.56	88,045	0.5430	478.08	8
Real Estate - Extension	87,197	0.0340	29.65	88,045	0.0300	26.41	3
Real Estate - Health	87,197	0.0400	34.88	88,045	0.0400	35.22	(0)
Real Estate - Library	87,197	0.0560	48.83	88,045	0.0490	43.14	6
Real Estate - Conservation	87,197	0.0070	6.10	88,045	0.0070	6.16	(0)
Tangible - County	11,910,933	0.1590	18,938.38	11,361,266	0.1590	18,064.41	874
Tangible - Common Schoo	11,910,933	0.5590	66,582.12	11,361,266	0.5430	61,691.67	4,890
Tangible - Extension	11,910,933	0.0676	8,051.79	11,361,266	0.0482	5,476.13	2,576
Tangible - Health	11,910,933	0.0400	4,764.37	11,361,266	0.0400	4,544.51	220
Tangible - Library	11,910,933	0.1192	14,197.83	11,361,266	0.0976	11,088.60	3,109
page totals			132,909.87			119,696.18	13,213.69

Shelby Energy Cooperative
Case No. 2009-00410
July 31, 2009

Taxing District	Assessment for 2008 Taxes			Assessment for 2007 Taxes			Increase Decrease in Taxes
	Assessed Value	Tax Rate	Tax Due	Assessed Value	Tax Rate	Tax Due	
Jefferson County							
Real Estate - Eastwd FRN	191	0.1000	0.19	197	0.1000	0.20	(0)
Real Estate - Metro FRN	191	0.1255	0.24	197	0.1255	0.25	(0)
Real Estate - JCPS FRN	191	0.6250	1.19	197	0.6150	1.21	(0)
Tangible - County	26,566	0.1660	44.10	25,864	0.1660	42.93	1
Tangible - School	26,566	0.6310	167.63	25,864	0.6270	162.17	5
Tangible - Eastwood Fire	26,566	0.1000	26.57	25,864	0.1000	25.86	1
Oldham County							
Real Estate - County	1,373	0.0900	1.24	1,375	0.0900	1.24	(0)
Real Estate - Common Sch	1,373	0.4450	6.11	1,375	0.4450	6.12	(0)
Real Estate - Library	1,373	0.0230	0.32	1,375	0.0230	0.32	(0)
Real Estate - Health	1,373	0.0200	0.27	1,375	0.0200	0.28	(0)
Real Estate - Bldg	1,373	0.2240	3.08	1,375	0.2240	3.08	(0)
Real Estate - Ambulance	1,373	0.0474	0.65	1,375	0.0474	0.65	(0)
Real Estate - Ballard FD	468	0.1000	0.47	482	0.1000	0.48	(0)
Real Estate - LaGrange FD	702	0.1000	0.70	723	0.1000	0.72	(0)
Real Estate - So Old FD	203	0.0900	0.18	209	0.0800	0.17	0
Tangible - County	190,906	0.1180	225.27	180,775	0.0900	162.70	63
Tangible - Common School	190,906	0.4450	849.53	180,775	0.4450	804.45	45
Tangible - Library	190,906	0.0659	125.81	180,775	0.0230	41.58	84
Tangible - Health	190,906	0.0200	38.18	180,775	0.0200	36.16	2
Tangible - Bldg	190,906	0.2240	427.63	180,775	0.2240	404.94	23
Tangible - Ambulance	190,906	0.0474	90.49	180,775	0.0474	85.69	5
Tangible - Ballard FD	65,134	0.1000	65.13	63,412	0.1000	63.41	2
Tangible - LaGrange FD	97,643	0.1000	97.64	95,061	0.1000	95.06	3
Tangible - So Old FD	28,221	0.0900	25.40	27,475	0.0800	21.98	3
Owen County							
Real Estate - County	492	0.3290	1.62	506	0.3300	1.67	(0)
Real Estate - Common Sch	492	0.5480	2.70	506	0.5510	2.79	(0)
Tangible - County	68,397	0.4876	333.50	66,588	0.4876	324.68	9
Tangible - School	68,397	0.6040	413.12	66,588	0.6000	399.53	14
page totals			2,948.96			2,690.30	258.66

Shelby Energy Cooperative
Case No. 2009-00410
July 31, 2009

Taxing District	Assessment for 2008 Taxes			Assessment for 2007 Taxes			Increase Decrease in Taxes
	Assessed Value	Tax Rate	Tax Due	Assessed Value	Tax Rate	Tax Due	
Shelby County							18
Real Estate - County	532,131	0.1100	585.34	515,542	0.1100	567.10	18
Real Estate - Common Sch	532,131	0.6450	3,432.24	515,542	0.6370	3,284.00	148
Real Estate - Health	532,131	0.0375	199.55	515,542	0.0375	193.33	6
Real Estate - Extension	532,131	0.0197	104.83	515,542	0.0187	96.41	8
Real Estate - Library	532,131	0.0310	164.96	515,542	0.0310	159.82	5
Real Estate - Landfill	532,131	0.0350	186.25	515,542	0.0350	180.44	6
Real Estate - Conservation	532,131	0.0100	53.21	515,542	0.0100	51.55	2
Real Estate - Shelby Subrb	459,994	0.1000	459.99	444,384	0.1000	444.38	16
Real Estate - Simpsonville	19,233	0.1000	19.23	17,294	0.1000	17.29	2
Real Estate - Long Run FD	1,274	0.1000	1.27	1,312	0.1000	1.31	(0)
Real Estate - Ballardsville l	681	0.1000	0.68	803	0.1000	0.80	(0)
Real Estate - Pewee Valley	1,867	0.1000	1.87	1,852	0.1000	1.85	0
Real Estate - US 60 East FI	10,198	0.0900	9.18	10,469	0.0900	9.42	(0)
Real Estate - Waddy Fd	9,137	0.1000	9.14	9,258	0.0700	6.48	3
Real Estate - Bagdad FD	20,697	0.0900	18.63	21,186	0.0900	19.07	(0)
Real Estate - So Oldham FI	1,287	0.0900	1.16	1,287	0.0800	1.03	0
Tangible - County	16,389,681	0.1160	19,012.03	15,679,903	0.1160	18,188.69	823
Tangible - Common School	16,389,681	0.6650	108,991.38	15,679,903	0.6640	104,114.56	4,877
Tangible - Library	16,389,681	0.0375	6,146.13	15,679,903	0.0375	5,879.96	266
Tangible - Extension	16,389,681	0.0231	3,786.02	15,679,903	0.0222	3,480.94	305
Tangible - Health	16,389,681	0.0416	6,818.11	15,679,903	0.0421	6,601.24	217
Tangible - Mt Eden FD	4,058	0.0700	2.84	3,845	0.0700	2.69	0
Tangible - Shelby Suburbai	5,499,724	0.1000	5,499.72	5,327,104	0.1000	5,327.10	173
Tangible - Simpsonville	2,674,754	0.1000	2,674.75	2,274,482	0.1000	2,274.48	400
Tangible - Pewee Valley FI	259,676	0.1000	259.68	243,575	0.1000	243.58	16
Tangible - Mt Eden FD	564,304	0.0700	395.01	505,617	0.0700	353.93	41
Spencer County							(0)
Real Estate - County	642	0.0880	0.56	661	0.0880	0.58	(0)
Real Estate - Common Sch	642	0.5430	3.49	661	0.5220	3.45	0
Real Estate - Library	642	0.0350	0.22	661	0.0310	0.20	0
Real Estate - Extension	642	0.0343	0.22	661	0.0343	0.23	(0)
Real Estate - Health	642	0.0400	0.26	661	0.0400	0.26	(0)
Real Estate - Soil	642	0.0090	0.06	661	0.0090	0.06	(0)
Real Estate - Spencer Fire	537	0.0500	0.27	553	0.0500	0.28	(0)
Real Estate - Mt. Eden Fire	105	0.0700	0.07	108	0.0700	0.08	(0)
Tangible - County	89,277	0.1230	109.81	86,916	0.1230	106.91	3
Tangible - School	89,277	0.5440	485.67	86,916	0.5400	469.35	16
Tangible - Library	89,277	0.1013	90.44	86,916	0.1655	143.85	(53)
Tangible - Extension	89,277	0.1782	159.09	86,916	0.1782	154.88	4
Tangible - Health	89,277	0.0400	35.71	86,916	0.0400	34.77	1
Tangible - Spencer Fire	74,712	0.0500	37.36	72,737	0.0500	36.37	1
Tangible - Mt Eden FD	14,565	0.0700	10.20	14,180	0.0700	9.93	0
page totals			159,766.63			152,462.64	7,303.99

Shelby Energy Cooperative
Case No. 2009-00410
July 31, 2009

Taxing District	Assessment for 2008 Taxes			Assessment for 2007 Taxes			Increase Decrease in Taxes
	Assessed Value	Tax Rate	Tax Due	Assessed Value	Tax Rate	Tax Due	
Trimble County							
Real Estate - County	52,695	0.0710	37.41	53,758	0.0710	38.17	(1)
Real Estate - Common Sch	52,695	0.5600	295.09	53,758	0.5400	290.29	5
Real Estate - Library	52,695	0.1000	52.70	53,758	0.0910	48.92	4
Real Estate - Extension	52,695	0.0380	20.02	53,758	0.0380	20.43	(0)
Real Estate - Health	52,695	0.0400	21.08	53,758	0.0400	21.50	(0)
Tangible - County	6,899,956	0.0750	5,174.97	6,655,969	0.0750	4,991.98	183
Tangible - Common School	6,899,956	0.5600	38,639.75	6,655,969	0.5400	35,942.23	2,698
Tangible - Library	6,899,956	0.1373	9,473.64	6,655,969	0.1811	12,053.96	(2,580)
Tangible - Extension	6,899,956	0.0620	4,277.97	6,655,969	0.0620	4,126.70	151
Tangible - Heatlh	6,899,956	0.0400	2,759.98	6,655,969	0.0400	2,662.39	98
City of Bedford							
Real Estate	3,385	0.1500	5.08	3,393	0.1500	5.09	(0)
City of Campbellsburg							
Real Estate	254	0.1750	0.44	261	0.1750	0.46	(0)
Tangible	35,305	0.2850	100.62	34,372	0.2800	96.24	4
City of Milton							
Real Estate	1,059	0.2750	2.91	0	0.0000	0.00	3
Tangible	147,304	0.1568	230.97	143,409	0.1568	224.87	6
City of Shelbyville							
Real Estate	425	0.2750	1.17	434	0.2750	1.19	(0)
Tangible	59,052	0.4310	254.51	57,105	0.4980	284.38	(30)
City of Simpsonville							
Real Estate	3,194	0.9100	29.07	782	0.9100	7.12	22
Public Service Company Assessment:							
Real Estate	652,568	0.1220	796.13	691,328	0.1220	843.42	(47)
Tangible Property	38,574,880	0.4500	173,586.96	37,899,220	0.4500	170,546.49	3,040
Manufacturing Machinery	6,468,200	0.1500	9,702.30	6,383,373	0.1500	9,575.06	127
			245,462.79			241,780.89	3,681.90
this page			<u>245,462.79</u>			<u>241,780.89</u>	<u>3,681.90</u>
Total			<u>541,088.24</u>			<u>516,630.01</u>	<u>24,458.24</u>
Amount of Adjustment						<u>24,458</u>	

Shelby Energy Cooperative
Case No. 2009-00410
July 31, 2009

Adjustment for Interest on Long Term Debt

The adjustment for interest on long-term debt results in an increase of \$35,241.

This adjustment has been calculated by multiplying the test year end debt amounts by the interest rates in effect at the end of the test year for each loan.

RUS loans	723,819
FFB loans	718,251
CFC loans	<u>245,980</u>
Total annualized interest	1,688,050
Test year interest expense	<u>1,652,810</u>
Adjustment	<u><u>35,241</u></u>

Shelby Energy Cooperative
Case No. 2009-00410
Schedule of Outstanding Long-Term Debt
July 31, 2009

Exhibit 5
page 2 of 4
Format 8a
Schedule 2

Type of Debt Issued (a)	Date of Issue (b)	Date of Maturity (c)	Outstanding Amount (d)	Cost Rate to Maturity (g)	Annualized Cost Col (d)x(g) (j)	Test Year Interest Cost
RUS loans						
1B220	Apr-75	Apr-10	18,263	5.000%	913	918
1B230	Jan-76	Jan-11	35,218	5.000%	1,761	1,770
1B240	Mar-77	Feb-12	2,622,312	5.000%	131,116	131,771
1B300	Dec-92	Dec-27	1,312,348	5.000%	65,617	65,945
1B310	Dec-94	Dec-29	740,046	6.000%	44,403	40,906
1B315	Dec-94	Dec-29	692,008	3.500%	24,220	29,557
1B320	Apr-98	Mar-33	1,407,120	3.000%	42,214	42,425
1B325	Apr-98	Mar-33	826,173	4.250%	35,112	33,212
1B326	Apr-98	Mar-33	621,789	4.500%	27,981	25,777
1B330	Nov-05	Oct-40	4,895,836	4.750%	232,552	209,113
1B331	Nov-05	Oct-40	983,067	4.300%	42,272	39,766
1B332	Nov-05	Oct-40	992,118	3.060%	30,359	33,951
1B333	Nov-05	Oct-40	1,000,000	4.530%	45,300	37,326
			<u>16,146,298</u>		<u>723,819</u>	<u>692,438</u>
FFB loans						
H0010	Sep-99	Aug-34	2,009,649	4.512%	90,675	93,849
H0020	Sep-99	Aug-34	879,733	4.472%	39,342	40,719
H0025	Sep-99	Aug-34	972,347	5.298%	51,515	53,318
H0030	May-01	Apr-36	898,754	4.408%	39,617	41,004
H0035	May-01	Apr-36	915,650	5.316%	48,676	50,380
H0040	May-01	Apr-36	905,153	4.630%	41,909	43,375
H0045	May-01	Apr-36	906,994	4.554%	41,305	42,750
H0050	May-01	Apr-36	2,262,627	4.787%	108,312	112,103
H0055	May-01	Apr-36	1,179,800	4.392%	51,817	53,630
H0060	May-01	Apr-36	1,544,892	4.474%	69,118	71,538
H0065	May-01	Apr-36	1,849,134	4.207%	77,793	80,516
H0070	May-01	Apr-36	1,303,431	4.463%	58,172	60,077
			<u>15,628,164</u>		<u>718,251</u>	<u>743,258</u>
CFC loans						
9005	Apr-75	Apr-10	10,095	6.05%	611	519
9006	Jan-76	Jan-11	18,438	6.10%	1,125	956
9007	Mar-77	Feb-12	68,423	6.15%	4,208	3,577
9008	Jun-78	Jun-13	161,810	6.25%	10,113	8,596
9009	Feb-81	Jan-16	176,782	6.30%	11,137	9,467
9010	Jun-83	May-18	122,424	6.40%	7,835	6,660
9011	Oct-85	Oct-20	338,312	6.55%	22,159	18,836
9012	Apr-89	Apr-24	404,624	6.55%	26,503	22,527
9013	Aug-91	Aug-26	602,186	6.60%	39,744	33,783
9014	Dec-93	Dec-98	624,338	6.65%	41,518	35,291
9015	Apr-95	Mar-00	1,266,037	6.40%	81,026	76,903
			<u>3,793,469</u>		<u>245,980</u>	<u>217,114</u>
Total long term debt and annualized			<u>35,567,931</u>		<u>1,688,050</u>	<u>1,652,810</u>

Annualized cost rate [Total Col. (j) / Total Col. (d)] 4.75%
Actual test year cost rate [Total Col (k) / Total Reported in Col (d)] 4.65%

Shelby Energy Cooperative
Case No. 2009-00410
Schedule of Outstanding Long-Term Debt
December 31, 2008

Exhibit 5
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Format 8a
Schedule 1

Type of <u>Debt Issued</u> (a)	Date of <u>Issue</u> (b)	Date of <u>Maturity</u> (c)	Outstanding Amount (d)	Cost Rate to <u>Maturity</u> (g)	Annualized Cost <u>Col (d)x(g)</u> (j)
RUS loans					
1B220	Apr-75	Apr-10	29,842	5.000%	1,492
1B230	Jan-76	Jan-11	46,382	5.000%	2,319
1B240	Mar-77	Feb-12	2,743,004	5.000%	137,150
1B300	Dec-92	Dec-27	1,331,065	5.000%	66,553
1B310	Dec-94	Dec-29	747,795	6.000%	44,868
1B315	Dec-94	Dec-29	701,684	3.500%	24,559
1B320	Apr-98	Mar-33	1,424,013	3.000%	42,720
1B325	Apr-98	Mar-33	834,710	4.250%	35,475
1B326	Apr-98	Mar-33	627,898	4.500%	28,255
1B330	Nov-05	Oct-40	4,924,549	4.750%	233,916
1B331	Nov-05	Oct-40	989,314	4.300%	42,541
1B332	Nov-05	Oct-40	1,000,000	3.060%	30,600
			<u>15,400,256</u>		<u>690,449</u>
FFB loans					
H0010	Sep-99	Aug-34	2,032,301	4.512%	91,697
H0020	Sep-99	Aug-34	889,705	4.472%	39,788
H0025	Sep-99	Aug-34	982,163	5.298%	52,035
H0030	May-01	Apr-36	907,796	4.408%	40,016
H0035	May-01	Apr-36	923,670	5.316%	49,102
H0040	May-01	Apr-36	913,958	4.630%	42,316
H0045	May-01	Apr-36	915,919	4.554%	41,711
H0050	May-01	Apr-36	2,284,118	4.787%	109,341
H0055	May-01	Apr-36	1,191,699	4.392%	52,339
H0060	May-01	Apr-36	1,560,280	4.474%	69,807
H0065	May-01	Apr-36	1,868,311	4.207%	78,600
H0070	May-01	Apr-36	1,316,436	4.463%	58,753
			<u>15,786,356</u>		<u>725,505</u>
CFC loans					
9005	Apr-75	Apr-10	16,576	6.05%	1,003
9006	Jan-76	Jan-11	24,221	6.10%	1,477
9007	Mar-77	Feb-12	79,676	6.15%	4,900
9008	Jun-78	Jun-13	179,358	6.25%	11,210
9009	Feb-81	Jan-16	187,634	6.30%	11,821
9010	Jun-83	May-18	127,387	6.40%	8,153
9011	Oct-85	Oct-20	347,202	6.55%	22,742
9012	Apr-89	Apr-24	411,880	6.55%	26,978
9013	Aug-91	Aug-26	610,809	6.60%	40,313
9014	Dec-93	Dec-98	631,406	6.65%	41,988
9015	Apr-95	Mar-00	1,277,313	6.40%	81,748
			<u>3,893,462</u>		<u>252,334</u>
Total long term debt and annualized			<u>35,080,074</u>		<u>1,668,287</u>
Annualized cost rate [Total Col. (j) / Total Col. (d)]					4.76%

1 Shelby Energy Cooperative
2 Case No. 2009-00410
3 Schedule of Short Term Debt
4 July 31, 2009
5

Exhibit 5
page 4 of 4
Format 8b

6 **Adjustment for Short Term Interest**
7

8 All short term borrowings have been repaid during the test year. All other interest
9 in Account No. 431 is for customer deposits. Interest on short term borrowings has
10 been removed for rate making purposes.
11

12 Type of	13 Date of	13 Date of	13 Amount	13 Interest	13 Annualized
14 <u>Instrument</u>	14 <u>Issue</u>	14 <u>Maturity</u>	14 <u>Outstanding</u>	14 <u>Rate</u>	14 <u>Cost</u>
15 (a)	15 (b)	15 (c)	15 (d)	15 (e)	15 (f)
16					
17					
18					
19	Annualized cost rate [Total col. (f) / Total col. (d)]				0.00%
20					
21	Actual interest paid, or accrued on Short Term				
22	Debt during the Test Year				32,654
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Witness: Jim Adkins

Shelby Energy Cooperative

Case No. 2009-00410

July 31, 2009

Financial Accounting Standard No. 106

Employer's Accounting for Postretirement Benefits

Shelby Energy has included its study for SFAS No. 106 as of January 1, 2009. The directors for Shelby Energy are not covered by the plan.

	<u>Total</u>
Proposed annual cost	182,969
Test year accrual	<u>169,358</u>
Proposed adjustment	<u><u>13,611</u></u>

The adjustment is allocated as follows:

	<u>Percent</u>	<u>Amount</u>
107 Capitalized	35.65%	\$4,852
163 - 416 Clearing and others	8.16%	1,111
580 Operations	14.75%	2,007
590 Maintenance	24.34%	3,313
901 Consumer accounts	6.39%	870
908 Customer service	3.32%	452
912 Sales	0.07%	10
920 Administrative and general	7.31%	995
	<u>100.00%</u>	<u>\$13,610</u>

Shelby Energy Cooperative
Case No. 2009-00410
Financial Accounting Standard No. 106
Employer's Accounting for Postretirement Benefits
July 31, 2009

Shelby Energy implemented Statement of Financial Accounting Standard No. 106 (SFAS 106) as of January 1, 1994.

The journal entry to record the expense for the initial year of 1994 is as follows:

	<u>Account</u>	<u>Debit</u>	<u>Credit</u>
Effect of new accounting pronouncement	435	547,900	
Accumulated provision for pensions and benefits	228.30		547,900

The updated study has been included with this response.

Shelby Energy Cooperative
Case No. 2009-00410
Retirement and Security

Shelby Energy provides pension benefits for substantially all employees through participation in the National Rural Electric Cooperative Association (NRECA) Retirement and Security (R & S) Program. It is the policy of Shelby Energy to fund pension costs accrued. R & S contributions are based on base salary at a rate determined by NRECA.

The adjustment is to normalize the R & S contributions using the rate for 2010 and normalized base wages for full-time salary and hourly employees. Quasi retired employees are those that have more than 30 years in the Plan and are no longer eligible to participate. The employees can remain with Shelby and participate in all other benefits. The contribution rate for 2010 and 2009 are as follows:

	Contribution Rate
2010	24.83%
2009	18.75%
Normalized base wages	1,833,894
Quasi retired emp: #1301, 1304, 1902, 2301	<u>285,397</u>
Eligible wages	1,548,498
Contribution rate for 2010	<u>24.83%</u>
Proposed contribution cost	455,356
Test year R & S contributions	<u>243,802</u>
Proposed adjustment	<u><u>211,554</u></u>

The adjustment is allocated as follows:

	<u>Percent</u>	<u>Amount</u>
107 Capitalized	35.65%	75,419
163 - 416 Clearing and others	8.16%	17,269
580 Operations	14.75%	31,200
590 Maintenance	24.34%	51,497
901 Consumer accounts	6.39%	13,524
908 Customer service	3.32%	7,025
912 Sales	0.07%	156
920 Administrative and general	7.31%	15,463
	<u>100.00%</u>	<u>\$211,554</u>

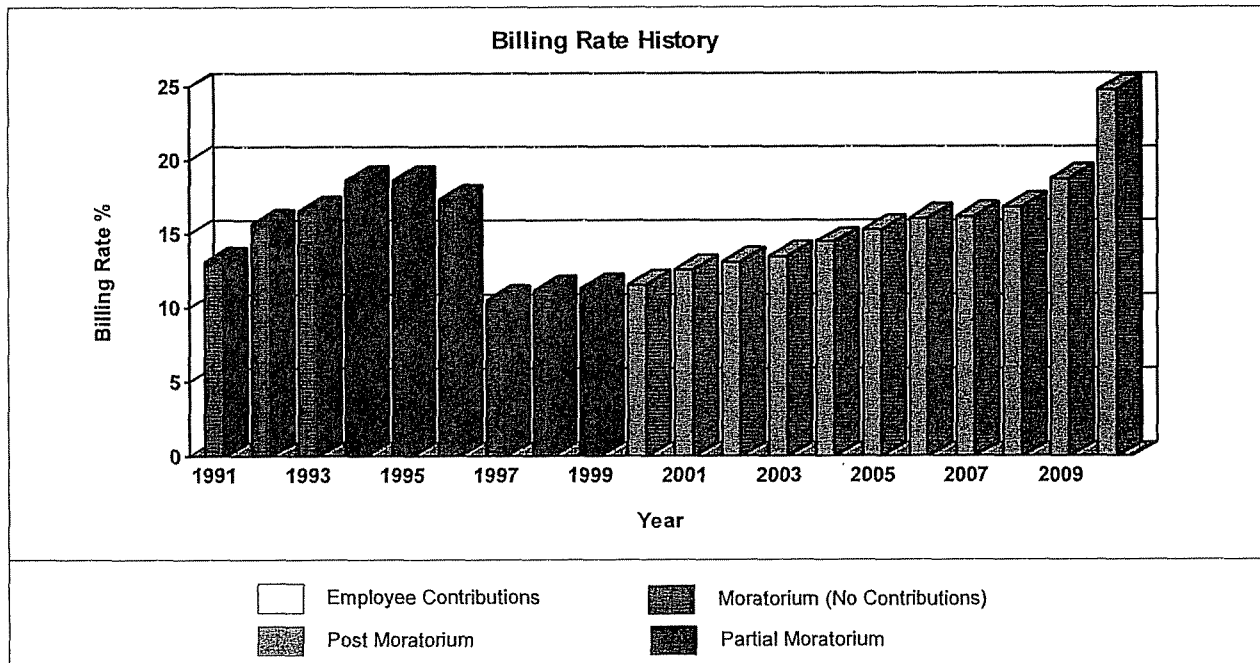


NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION

Retirement and Security Program

System #: 01-18030-001	Plan ID: RNR01A
Name: SHELBY ENERGY COOPERATIVE	

Year	Benefit Level	System Cost	Employee Contribution	Plan	COLA	Average Age	100% Death Benefit	Salary Type
1991	2.00	13.10	0.00	62	Yes	41	No	BS
1992	2.00	15.70	0.00	62	Yes	42	No	BS
1993	2.00	16.60	0.00	62	Yes	41	No	BS
1994	2.00	18.66	0.00	62	Yes	42	No	BS
1995	2.00	18.66	0.00	62	Yes	42	No	BS
1996	2.00	17.38	0.00	62	Yes	44	No	BS
1997	1.70	10.63	0.00	30	No	42	No	BS
1998	1.70	11.20	0.00	30	No	43	No	BS
1999	1.70	11.38	0.00	30	No	43	No	BS
2000	1.70	11.57	0.00	30	No	43	No	BS
2001	1.70	12.67	0.00	30	No	43	No	BS
2002	1.70	13.15	0.00	30	No	42	No	BS
2003	1.70	13.52	0.00	30	No	42	No	BS
2004	1.70	14.49	0.00	30	No	44	No	BS
2005	1.70	15.30	0.00	30	No	44	No	BS
2006	1.70	16.06	0.00	30	No	44	No	BS
2007	1.70	16.25	0.00	30	No	42	No	BS
2008	1.70	16.89	0.00	30	No	43	No	BS
2009	1.70	18.75	0.00	30	No	43	No	BS
2010	1.70	24.83	0.00	30	No	42	No	BS



Shelby Energy Cooperative
Case No. 2009-00410

Account 426 - Other Income Deductions
July 31, 2009

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Line No.	Item (a)	Amount (b)
1.	Donations	495
2.	Civic activities	1,567
3.	Political activities	
4.	Other	<u>1,500</u>
5.	Total	<u><u>3,562</u></u>

Shelby Energy Cooperative
Case No. 2009-00410
Donations Account 426.00
July 31, 2009

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
8/8/2008	44778	Shelby Energy Petty Casl	81.40	x Rotary
5/5/2009	46598	Wayne Anderson	30.20	x Rotary
9/5/2008	44955	Wayne Anderson	95.40	x Rotary
1/2/2009	45794	Wayne Anderson	44.00	x Rotary
3/13/2009	46285	Wayne Anderson	35.20	x Rotary
7/7/2009	47019	Wayne Anderson	44.00	x Rotary
4/10/2009	46439	Wayne Anderson	44.00	x Rotary
12/12/2008	45655	Wayne Anderson	35.20	x Rotary
11/4/2008	45385	Wayne Anderson	60.20	x Rotary
10/7/2008	45193	Wayne Anderson	35.20	x Rotary
8/29/2008	44921	Shelbyville Rotary	78.00	x Rotary
11/14/2008	45494	Shelbyville Rotary	140.00	x Rotary
5/15/2009	46671	Shelbyville Rotary	113.00	x Rotary
5/8/2009	46623	Debbie Martin	42.50	x Rotary
2/17/2009	46090	Debbie Martin	42.50	x Rotary
8/14/2009	47333	Debbie Martin	28.00	x Rotary
7/17/2009	47123	Debbie Martin	91.57	x Rotary
11/11/2008	45471	Debbie Martin	52.50	x Rotary
10/24/2008	45317	Bedford Rotary Club	118.50	x Rotary
4/10/2009	46448	Bedford Rotary Club	118.50	x Rotary
1/9/2009	45861	Bedford Rotary Club	118.50	x Rotary
7/17/2009	47126	Bedford Rotary Club	119.00	x Rotary
4/10/2009	46454	Leadership Shelby	25.00	x Donation
8/19/2008	44878	Leadership Shelby	450.00	x Donation
7/7/2009	47038	Leadership Shelby	20.00	x Donation
9/23/2008	45102	CFC	1,500.00	x Integrity fund
			<u>3,562.37</u>	
		Remove for rate making	<u>3,562.37</u>	x

Shelby Energy Cooperative
Case No. 2009-00410
Professional Services

Legal

The attorney is paid a monthly retainer for work performed during the month, as well as, attending each monthly Board of Directors meeting. Expenses are also paid for attending legal seminars for Cooperative business. Attached is the Board policy for Legal Services.

Other legal services are provided as needed.

Accounting and Auditing

Attached is a copy of the audit agreement for the latest audit as of December 31, 2008, which was performed by Alan Zumstein, CPA.

During the test year, Shelby Energy outside, non-supervisory employees formed a union. As a result, additional legal fees were incurred. Shelby Energy is proposing to amortize these legal costs over the life of the union contract that was negotiated, which is three (3) years.

Frost, Brown & Todd, PLLC	\$110,256.06
Robert Hood	10,807.63
Smith & Smith, Attorneys at Law	681.50
	<u>121,745.19</u>
Term of contract	3
Annual amortization	<u>\$40,581.73</u>

The Kentucky PSC ordered Shelby Energy to undergo a Management Audit. State law allows the PSC to hire an independent auditor at company expense. Shelby Energy is amortizing the cost of the management audit over a period of three (3) years.

Cost of management audit	\$107,695.00
Number of years	3
Annual amortization	<u>\$35,898.33</u>

The calculation of adjustments to professional services are as follows:

Additions	
Amortize fees for union contract	40,581.73
Amortize management audit	35,898.33
Remove:	
Normal nonrecurring expenses	(15,723.96)
Legal fees for the union contract	(121,745.19)
Adjustment to Professional Services	<u>(60,989.09)</u>

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Shelby Energy Cooperative
Case No. 2009-00410
Professional Services
July 31, 2009

Format 33
Exhibit 9
page 2 of 4

<u>Line</u>		<u>Rate</u>	<u>Annual</u>		
<u>Number</u>	<u>Item</u>	<u>Case</u>	<u>Audit</u>	<u>Other</u>	<u>Total</u>
1	Legal			148,420	148,420
2	Engineering			41,565	41,565
3	Accounting		7,300	760	8,060
4	Other			17,275	17,275
5	Total	0	7,300	208,020	215,320

Shelby Energy Cooperative
Case No. 2009-00410
Professional Services
July 31, 2009

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Hours & Bill Rate</u>	<u>Amount</u>	<u>Description</u>
Legal					
8/15/2008	44834	Mathis, Riggs & Prather		200.00	Retainer
9/12/2008	45021	" "		200.00	Retainer
10/10/2008	45204	" "	\$140	383.18	Employee accident
10/10/2008	45204	" "		978.15	Employee complaint BS
10/14/2008	45225	" "		200.00	Retainer
9/16/2008	45450	" "		259.50	Employee accident
9/16/2008	45450	" "		42.00	Henry Co Water Dist loan
9/16/2008	45450	" "		1,266.16	Employee complaint BS
11/14/2008	45475	" "		119.50	Employee accident
11/14/2008	45475	" "		140.00	Consumer accident
11/14/2008	45475	" "		699.80	Employee complaint BS
11/21/2008	45513	" "		200.00	Retainer
12/5/2008	45584	" "		437.72	x KAEC annual mtg exp
12/12/2008	45647	" "		192.58	Employee complaint BS
12/12/2008	45647	" "		200.00	Retainer
12/12/2008	45681	" "		150.00	x Christmas gift
1/16/2009	45891	" "		200.00	Retainer
1/20/2009	45910	" "		92.15	Consumer accident
1/20/2009	45910	" "		112.50	Potential bankruptcy
1/20/2009	45910	" "		132.50	Employee complaint BS
2/13/2009	46035	" "		200.00	Retainer
3/6/2009	46207	" "		50.00	File EKPC flow thru
3/6/2009	46207	" "		240.51	Consumer accident
3/10/2009	46244	" "		102.50	Consumer accident
3/10/2009	46244	" "		200.00	Retainer
4/10/2009	46434	" "		879.25	EKPC flow thru hearing
4/10/2009	46434	" "		135.00	Consumer accident
4/14/2009	46469	" "		200.00	Retainer
5/12/2009	46655	" "		200.00	Retainer
5/15/2009	46664	" "		25.00	Review PSC order EKPC flow thru
5/15/2009	46664	" "		12.50	Consumer accident
5/15/2009	46664	" "		105.00	Economic development loan
6/12/2009	46835	" "		200.00	Retainer
6/23/2009	46921	" "		387.50	Economic development loan
6/23/2009	46921	" "		145.00	Consumer account past due
7/10/2009	47052	" "		671.10	Economic development loan
7/17/2009	47104	" "		200.00	Retainer
8/14/2009	47327	" "		312.50	Economic development loan
9/30/2008	45135	Visa 144		994.64	x NRECA legal seminar exp
12/30/2008	45743	KAEC		90.00	x KAEC annual mtg exp
3/3/2009	46206	Visa - 3989		70.50	File folders for mgt audit
6/30/2009	46964	KAEC		104.93	Ice storm responses to PSC

Shelby Energy Cooperative
Case No. 2009-00410
Professional Services
July 31, 2009

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Hours & Bill Rate</u>	<u>Amount</u>	<u>Description</u>
7/2/2009	47006	Visa - 3989		144.84	Union negotiation mtg room
7/17/2009	47105	KAEC		134.91	Ice storm responses to PSC
var	var	All the Way Shop		65.33	Board mtg meals
var	var	NRECA		18.00	24 hr travel
var	var	EKPC		14,051.60	x Health insurance premiums
9/9/2008	45012	Crawford & Baxter, PSC	\$160	528.00	Review inspection policy
9/19/2008	45076	Smith & Smith, Attorneys at	\$290	681.50	Mgt rights in union org. drive
11/7/2008	45446	Frost, Brown & Todd, PLLC		43,812.19	Union negotiations
11/25/2008	45549	" " " "		12,947.78	Union negotiations
11/25/2008	45549	" " " "		899.00	Union negotiations
12/9/2008	45636	" " " "		1,951.75	Union negotiations
12/12/2008	45684	" " " "		2,501.16	Union negotiations
1/23/2009	45936	" " " "		3,337.69	Union negotiations
1/23/2009	45936	" " " "		192.50	Union negotiations
1/23/2009	45936	" " " "		2,045.00	Union negotiations
2/10/2009	46032	" " " "		2,397.00	Union negotiations
2/17/2009	46103	" " " "		1,512.00	Union negotiations
2/17/2009	46103	" " " "		3,766.00	Union negotiations
3/20/2009	46328	" " " "		6,884.50	Union negotiations
5/1/2009	46590	" " " "		1,501.95	Union negotiations
6/12/2009	46860	" " " "		577.50	Union negotiations
6/23/2009	46939	" " " "		7,645.20	Union negotiations
7/14/2009	47100	" " " "		9,657.94	Union negotiations
8/21/2009	47385	" " " "		8,626.90	Union negotiations
Other					
3/20/2009	46329	Robert Hood	\$110	993.85	Union negotiations
6/9/2009	46822	" "		2,548.93	Union negotiations
7/28/2009	47202	" "		4,715.49	Union negotiations
8/11/2009	47321	" "		2,549.36	Union negotiations
8/22/2008	44893	HR Enterprise	\$160	4,480.00	Review policies, HR consulting
9/12/2008	45034	Dudley Bottom PE	\$100	200.00	Review underground costs
9/19/2008	45075	Hilltop Produce		15.33	Meal for consultant at Board mtg
9/30/2008	45142	HR Enterprise		3,440.00	Wage and Salary study
12/12/2008	45669	Alan M. Zumstein, CPA	\$100	760.00	Property tax, IRS 990 reports
12/19/2009	45719	HR Enterprise		826.00	Policy review, hiring review
2/10/2009	46031	Dudley Bottom PE		400.00	Review work plan
2/27/2009	46157	HR Enterprise		720.00	Revise job descriptions, pay
3/3/2009	46193	Gay Tennill		299.90	Postage; meals for mgt audit

Shelby Energy Cooperative
Case No. 2009-00410
Professional Services
July 31, 2009

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Hours & Bill Rate</u>	<u>Amount</u>	<u>Description</u>
3/6/2009	46210	Neville Data Solutions		125.00	Offsite backup of files
4/1/2009	46371	Alan M. Zumstein, CPA		7,300.00	Annual audit
4/21/2009	46492	HR Enterprise		2,400.00	Planning and review sessions
5/8/2009	46623	Debbie Martin		28.24	Meal for consultant at Board mtg
7/31/2009	47217	Hilltop Produce		20.49	Meal for consultant at Board mtg
8/21/2009	47389	Mike Eastridge	\$75	4,320.50	Safety manual and evaluations
Engineering					
9/19/2008	45070	Patterson & Dewar Engineeri	\$119	1,525.37	Engineering assistance
9/19/2008	45070	" " "		357.00	UG filing w/ PSC
10/17/2008	45269	" " "		3,663.72	Engineering assistance
11/14/2008	45490	" " "		3,691.70	Engineering assistance
12/12/2008	45674	" " "		714.00	Engineering assistance
2/17/2009	46096	" " "		1,309.00	Arc flash operating procedures
4/21/2009	46489	" " "		8,556.16	Engineering assistance
5/15/2009	46674	" " "		5,378.03	Engineering assistance
7/10/2009	47074	" " "		5,990.10	Engineering assistance
7/10/2009	47074	" " "		6,477.40	System inspection
7/21/2009	47151	" " "		2,121.04	Engineering assistance
8/21/2009	47393	" " "		1,781.05	Engineering assistance
				<u>215,319.57</u>	

**MATHIS, RIGGS & PRATHER, P.S.C.
ATTORNEYS AT LAW
500 MAIN STREET, Ste. 5
SHELBYVILLE, KENTUCKY 40066-1059**

**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

November 20, 2008

George N. Busey
Chairman of the Board of Directors
Shelby Energy Cooperative, Inc.
620 Old Finchville Road
Shelbyville, KY 40065

Re: Shelby Energy Cooperative, Inc. – Client Engagement Letter

Dear Mr. Busey:

This letter will confirm the arrangements under which the Board of Directors ("Board") of Shelby Energy Cooperative, Inc. ("Shelby Energy") has employed me to provide legal services to Shelby Energy and the Board relating to all matters on which my services may be requested by the Board, officers and employees of Shelby Energy. As a matter of legal ethics I am required to confirm the terms of our relationship in writing to you.

It is my understanding that the terms of my employment as Shelby Energy's attorney are as follows:

1. I will handle and manage all of the aforementioned legal matters.
2. I will be paid a monthly retainer fee, which is presently \$200.00, plus an amount equal to the Cooperative Medical Insurance Premium for family coverage, less the regular employee contribution in effect from time-to-time. I will also be paid the regular daily per diem, presently \$100.00 per day, plus certain out of pocket expenses, for attendance at special meetings and conferences such as the KAEC annual meeting and NRECA regional and national meetings. In the event the Board Policies on any of these matters are changed, this arrangement will automatically become consistent with the altered policy.
3. In return for these payments, I will render all requested legal services except (1) litigation, including preparation for litigation (civil, criminal and administrative); (2) Public Service Commission cases; (3) loan work; and (4) upon prior agreement with an authorized Shelby Energy representative, extraordinarily complicated or time consuming contract work. With the exception of the aforementioned four areas of service, the retainer arrangement will cover all legal services requested by authorized Shelby Energy representatives including but not limited to review of capital credit applications, monthly regular and special board of director meetings, the annual Cooperative meeting, review of minutes, employment issues, contract preparation

and review, and advice to board members, officers and employees upon request. Additionally, neither I nor my law firm will accept any case adverse to Shelby Energy or its affiliates, any other electric cooperative within Kentucky, East Kentucky Power Cooperative, United Utilities Supply, or the Kentucky Association of Electric Cooperatives.

4. With respect to litigation matters, PSC cases, loan work, and extraordinary contract work, as compensation for such services I will be paid at the preferred hourly rate of \$125.00 per hour. Time will be billed in multiples of tenths of an hour. A minimum of two tenths (.20) of an hour shall be billed for each action performed. I may delegate portions of the required services to other personnel, and Shelby Energy agrees to pay for their services at the hourly rate charged for each (other attorneys – not to exceed by hourly rate, paralegals - \$60.00 per hour and secretaries - \$15.00 per hour). I will maintain records of services and time expended which shall be provided to Shelby Energy.

5. With respect to such special matters, Shelby Energy agrees to pay court costs, litigation expenses, witness fees, deposition expenses, travel, telephone and photo static copies at the rate of \$.10 per page, and outgoing faxes at the rate of \$2.00 for the first page and \$1.00 per page thereafter, and other out-of-pocket expenses, as they are incurred.

6. I agree to diligently and faithfully pursue all matters referred to me to the best of my ability. Shelby Energy understands that I have made no assurance that the conclusion of any such matters will be successful or favorable, and Shelby Energy Agrees to pay all fees and expenses advanced regardless of the outcome of these matters. It is further understood that, although I have agreed to undertake to represent you to the best of my ability, I have not promised any specific result or outcome.

7. I will not file suit or commence any other judicial or regulatory proceeding without Shelby Energy's express consent, and neither of us shall enter into any settlement without the express consent of the other.

8. Shelby Energy shall be billed on a periodic (generally monthly) basis. All unpaid statements shall bear interest at the rate of 12% per annum from and after 30 days from the date of the statement.

9. Should the fees which accrue be collected through legal proceedings or be paid after the institution of legal proceedings, Shelby Energy agrees to pay all costs of collection including a reasonable attorney's fee.

10. I reserve the right to withdraw as counsel for Shelby Energy if upon further investigation of any matter I decide in my professional judgment that pursuing such matter is inadvisable, or if Shelby Energy refuses to accept my advice, Shelby Energy fails to respond to my communications, or fails to keep my office provided with Shelby Energy's current address. If the statements for legal services and expenses are not paid within 30 days from the date of the billing, I shall also have the option to withdraw as Shelby Energy's attorney. Shelby Energy may terminate my services at any time, with or without cause.

11. This agreement shall be automatically renewed on an annual basis unless cancelled or altered by mutual consent in writing. It is the entire agreement between us, and shall be binding upon our respective successors and assigns. This agreement shall be governed by the law of the State of Kentucky.

Please sign one of the copies of this letter to indicate you have read this letter and agree with the contents of this letter, and return that signed copy to me. The extra copy is for your records.

Thank you very much for the opportunity to represent Shelby Energy in these matters. An accurate understanding of the basis for compensation is necessary in all professional relationships in order to avoid unpleasant potential surprises down the road.

Yours truly,

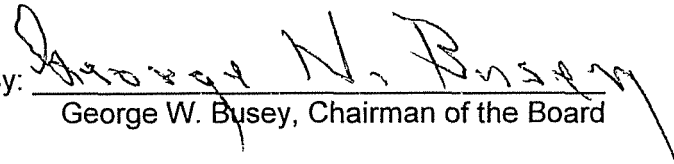
MATHIS, RIGGS & PRATHER, P.S.C.

BY: 

Donald T. Prather

Signature of Client:

Shelby Energy Cooperative, Inc.

By: 
George W. Busey, Chairman of the Board

Witness: Debbie Martin

Shelby Energy Cooperative
Case No. 2009-00410
Name of Board Members
July 31, 2009

President

George N. Busey 4390 Vigo Road Bagdad, Ky 40003

Vice President

Ashley Chilton 6041 Castle Highway Pleasureville, KY 40057

Secretary-Treasurer

Roger Taylor 177 Lake Jericho Rd Smithfield, KY 40068

Joe Butler 10664 Hwy 421 N. Miltin, Ky 40045

R. Wayne Stratton 115 Bluebird Drive Shelbyville, KY 40065

Randy Stevens 849 New Hope Road Bedford, Ky 40006

Reginald Rand * PO Box 273 Bedford, Ky 40006

* retired and was replaced by Randy Stevens

East Kentucky Power Cooperative representative

R. Wayne Stratton

KAEC representative

George N. Busey

NRECA representative

Ashley Chilton

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Witness: Jim Adkins

Shelby Energy Cooperative
Case No. 2009-00410
Adjustment for Director expenses
July 31, 2009

Certain expenses are generally disallowed for rate making purposes that are incurred for, and on behalf of, Directors of an electric cooperative. Shelby Energy has made this adjustment to recognize those expenses.

KAEC annual meeting for non-representative:	
Reginald Rand	157.14
EKPC annual meeting for non-representative:	
Ashley Chilton	152.8
Randy Stevens	191.30
Per diems:	
All directors	600.00
General expenses for all employees	
Christmas gifts	900.00
Health insurance	42,200.00
	<hr/>
	<u>44,201.24</u>

Shelby Energy Cooperative
Case No. 2009-00410
Director Fees and Expenses
July 31, 2009

Exhibit 10
page ~~3~~ ³¹ of ~~104~~
Witness: Jim Adkins

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	Regular Board Mtg	Other Board Mtg	Per Diem	Mileage	Air Fare	Meeting Fees	Hotel	Meals	Health Insurance	Misc Expenses	Total
George N. Busey	3,300	400	(100)	417	0	0	14	0	(398)	150	3,783
Ashley Chilton	3,300	300	100	324	0	0	0	0	(902)	150	3,272
Roger Taylor	15,300	300	100	343	0	0	0	0	(38)	150	16,155
Joe Butler	3,000	300	0	270	0	0	0	0	(899)	150	2,821
R. Wayne Stratton	3,300	400	0	86	0	0	0	0	(902)	175	3,058
Randy Stevens	5,200	0	100	259	0	0	0	0	(14)	0	5,545
Reginald Rand	1,500	400	0	367	0	0	8	0	(497)	150	1,928
General expenses	0	0	0	0	0	0	0	2,074	45,851	4,746	52,671
Total	34,900	2,100	200	2,067	0	0	22	2,074	42,200	5,671	89,234

Shelby Energy Cooperative
Case No. 2009-00410
George N. Busey

Exhibit 10
page 4 of 14
Witness: Jim Adkins

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Explanation</u>	<u>Regular Bd Mtg</u>	<u>Other Bd Mtg</u>	<u>Per Diem</u>	<u>Mileage</u>	<u>Air Fare</u>	<u>Meeting Fees</u>	<u>Hotel</u>	<u>Meals</u>	<u>Health Ins</u>	<u>Misc Expense</u>	<u>Total</u>
				300.00			11.70					(33.48)		278.22
9/5/2008	44965		Special mtg		100.00		11.70					(33.48)		111.70
9/5/2008	44965			300.00			11.70					(33.48)		278.22
09/26/08	45118		Special mtg		100.00		11.70					(33.48)		111.70
09/26/08	45118			300.00			11.70					(33.48)		278.22
11/07/08	45428		Special mtg		100.00		11.70					(33.48)		111.70
11/07/08	45428		KAEC Director training			100.00	98.28					(33.48)		198.28
11/07/08	45428			300.00			11.70					(33.48)		278.22
12/02/08	45565		KAEC annual mtg			(100.00)	49.14			14.00		(33.48)		(36.86)
12/02/08	45565			300.00			11.70					(33.48)		278.22
12/23/08	45727		KAEC operations mtg			(100.00)	60.84					(33.48)		(39.16)
12/23/08	45727			300.00			22.00					(33.48)		288.52
02/13/09	46049		Mgt audit		100.00		11.00					(63.48)		111.00
3/13/2009	46270			300.00			22.00					(33.48)		258.52
4/7/2009	46419			300.00			11.00					(33.48)		277.52
05/05/09	46604			300.00			22.00					(33.48)		288.52
6/16/2009	46887			300.00			16.50					(33.48)		283.02
7/17/2009	47117			300.00			11.00					(33.48)		277.52
8/1/2009	47233			300.00									150.00	150.00 x
12/12/2008	45664		Christmas gift											
				3,300.00	400.00	(100.00)	417.36	0.00	0.00	14.00	0.00	(398.28)	150.00	3,783.08

Shelby Energy Cooperative
Case No. 2009-00410
Ashley Chilton

Exhibit 10
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Witness: Jim Adkins

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Date	Check Number	Payee	Explanation	Regular Bd Mtg	Other Bd Mtg	Per Diem	Mileage	Air Fare	Meeting Fees	Hotel	Meals	Health Ins	Misc Expense	Total
				300.00			19.89					(75.48)		244.41
9/5/2008	44966						19.89							119.89
9/5/2008	44966		Special mtg		100.00		19.89					(75.48)		244.41
9/26/2008	45119			300.00			19.89							119.89
9/26/2008	45119		Special mtg		100.00		19.89					(75.48)		244.41
11/7/2008	45429			300.00			19.89							119.89
11/7/2008	45429		Special mtg		100.00		19.89					(75.48)		244.41
12/2/2008	45557			300.00			19.89					(75.48)		244.41
12/23/2008	45728			300.00			19.89					(75.48)		244.41
2/13/2009	46050			300.00			18.70					(75.48)		243.22
4/7/2009	46420			300.00			18.70					(147.48)		171.22
5/5/2009	46605			300.00			18.70					(75.48)		243.22
6/16/2009	46888			300.00			18.70					(75.48)		243.22
7/17/2009	47118			300.00			18.70					(75.48)		243.22
7/17/2009	47118		EKPC annual mtg			100.00	52.80							152.80
08/01/09	47234			300.00			18.70					(75.48)		243.22
12/12/2008	45665		Christmas gift										150.00	150.00 x
				3,300.00	300.00	100.00	324.12	0.00	0.00	0.00	0.00	(902.28)	150.00	3,271.84

Shelby Energy Cooperative
Case No. 2009-00410
Roger Taylor

Exhibit 10
page 6 of 14
Witness: Jim Adkins

	<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Explanation</u>	<u>Regular Bd Mtg</u>	<u>Other Bd Mtg</u>	<u>Per Diem</u>	<u>Mileage</u>	<u>Air Fare</u>	<u>Meeting Fees</u>	<u>Hotel</u>	<u>Meals</u>	<u>Health Ins</u>	<u>Misc Expense</u>	<u>Total</u>
8	9/5/2008	44969			2,300.00			23.40					(3.48)		2,319.92
9	9/5/2008	44969		Special mtg		100.00		23.40							123.40
10	9/26/2008	45122			300.00			23.40					(3.48)		319.92
11	9/26/2008	45122		Special mtg		100.00		23.40							123.40
12	11/7/2008	45432			1,300.00			23.40					(3.48)		1,319.92
13	11/7/2008	45432		Special mtg		100.00		23.40							123.40
14	11/7/2008	45432		KAEC Director training			100.00	37.44							137.44
15	12/2/2008	45572			1,300.00			23.40					(3.48)		1,319.92
16	12/23/2008	45731			1,300.00			23.40					(3.48)		1,319.92
17	2/13/2009	46052			1,300.00			22.00					(3.48)		1,318.52
18	4/7/2009	46422			2,300.00			22.00					(3.48)		2,318.52
19	5/5/2009	46607			1,300.00			22.00					(3.48)		1,318.52
20	6/16/2009	46890			1,300.00			22.00					(3.48)		1,318.52
21	7/17/2009	47120			1,300.00			8.80					(3.48)		1,305.32
22	8/1/2009	47236			1,300.00			22.00					(3.48)		1,318.52
23	12/12/2008	45668		Christmas gift										150.00	150.00 x
25					15,300.00	300.00	100.00	343.44	0.00	0.00	0.00	0.00	(38.28)	150.00	16,155.16

Shelby Energy Cooperative

Case No. 2009-00410

Joe Butler

Exhibit 10

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Wintess: Jim Adkins

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Explanation</u>	<u>Regular Bd Mtg</u>	<u>Other Bd Mtg</u>	<u>Per Diem</u>	<u>Mileage</u>	<u>Air Fare</u>	<u>Meeting Fees</u>	<u>Hotel</u>	<u>Meals</u>	<u>Health Ins</u>	<u>Misc Expense</u>	<u>Total</u>
9/5/2008	44964			300.00			11.70					(75.48)		236.22
9/5/2008	44964		Special mtg		100.00		50.31							150.31
9/26/2008	45117			300.00			11.70					(75.48)		236.22
9/26/2008	45117		Special mtg		100.00		11.70							111.70
11/7/2008	45427			300.00			11.70					(75.48)		236.22
11/7/2008	45427		Special mtg		100.00		11.70							111.70
12/23/2008	45726			300.00			11.70					(147.48)		164.22
2/13/2009	46048			300.00			47.30					(75.48)		271.82
4/7/2009	46418			300.00			47.30					(147.48)		199.82
5/5/2009	46603			300.00								(75.48)		224.52
6/16/2009	46886			300.00			11.00					(75.48)		235.52
7/17/2009	47116			300.00			33.00					(75.48)		257.52
8/1/2009	47232			300.00			11.00					(75.48)		235.52
12/12/2008	45663		Christmas gift										150.00	150.00 x
				3,000.00	300.00	0.00	270.11	0.00	0.00	0.00	0.00	(898.80)	150.00	2,821.31

Shelby Energy Cooperative
Case No. 2009-00410
R. Wayne Stratton

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Explanation</u>	<u>Regular Bd Mtg</u>	<u>Other Bd Mtg</u>	<u>Per Diem</u>	<u>Mileage</u>	<u>Air Fare</u>	<u>Meeting Fees</u>	<u>Hotel</u>	<u>Meals</u>	<u>Health Ins</u>	<u>Misc Expense</u>	<u>Total</u>
				300.00			4.68					(75.48)		229.20
9/5/2008	44967		Special mtg		100.00		4.68							104.68
9/5/2008	44967		Special mtg	300.00			4.68					(75.48)		229.20
9/26/2008	45120		Special mtg		100.00		4.68							104.68
9/26/2008	45120		Special mtg	300.00			4.68					(75.48)		229.20
11/7/2008	45430		Special mtg		100.00		4.68							104.68
11/7/2008	45430		Special mtg	300.00			4.68					(75.48)		229.20
12/2/2008	45569			300.00			4.68					(75.48)		229.20
12/23/2008	45729			300.00			4.40					(75.48)		228.92
2/13/2009	46051			300.00			4.40						24.50	128.90
3/13/2009	46286		Mgt audit		100.00		4.40					(147.48)		156.92
4/7/2009	46421			300.00			4.40					(75.48)		228.92
5/5/2009	46606			300.00			4.40					(75.48)		228.92
6/16/2009	46889			300.00			22.00					(75.48)		246.52
7/17/2009	47119			300.00			4.40					(75.48)		228.92
8/1/2009	47235			300.00									150.00	150.00 x
12/12/2008	45666		Christmas gift											
				3,300.00	400.00	0.00	85.84	0.00	0.00	0.00	0.00	(902.28)	174.50	3,058.06

Shelby Energy Cooperative
Case No. 2009-00410
Randy Stevens

Exhibit 10
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Witness: Alan Zumstein

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Date	Check Number	Payee	Explanation	Regular Bd Mtg	Other Bd Mtg	Per Diem	Mileage	Air Fare	Meeting Fees	Hotel	Meals	Health Ins	Misc Expense	Total
				1,300.00			36.85					(3.48)		1,333.37
5/5/2009	46618			1,300.00			42.90					(3.48)		1,339.42
6/16/2009	46902			1,300.00			42.90					(3.48)		1,339.42
7/17/2009	47130			1,300.00			91.30							191.30
7/17/2009	47130		EKPC annual mtg			100.00								
8/1/2009	47243			1,300.00			45.10					(3.48)		1,341.62
														0.00
														0.00
														0.00
				5,200.00	0.00	100.00	259.05	0.00	0.00	0.00	0.00	(13.92)	0.00	5,545.13

Shelby Energy Cooperative
Case No. 2009-00410
Reginald Rand *

Exhibit 10
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Witness: Jim Adkins

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Date	Check Number	Payee	Explanation	Regular Bd Mtg	Other Bd Mtg	Per Diem	Mileage	Air Fare	Meeting Fees	Hotel	Meals	Health Ins	Misc Expense	Total
9/5/2008	44968			300.00			39.78					(99.48)		240.30
9/5/2008	44968		Special mtg		100.00		39.78							139.78
9/26/2008	45121			300.00			39.78					(99.48)		240.30
9/26/2008	45121		Special mtg		100.00		39.78							139.78
11/7/2008	45431			300.00			39.78					(99.48)		240.30
11/7/2008	45431		Special mtg		100.00		39.78							139.78
12/2/2008	45570			300.00			39.78					(99.48)		240.30
12/2/2008	45570		KAEC annual mtg		100.00		49.14			8.00				157.14
12/23/08	45730			300.00			39.78					(99.48)		240.30
12/12/2008	45667		Christmas gift										150.00	150.00
				1,500.00	400.00	0.00	367.38	0.00	0.00	8.00	0.00	(497.40)	150.00	1,927.98

Shelby Energy Cooperative
Case No. 2009-00410
General Expenses
July 31, 2009

Exhibit 10
page 16 of 14
Witness: Jim Adkins

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Description</u>	<u>Regular Bd Mtg</u>	<u>Other Bd Mtg</u>	<u>Per Diem</u>	<u>Mileage</u>	<u>Air Fare</u>	<u>Meeting Fees</u>	<u>Hotel</u>	<u>Meals</u>	<u>Health Ins</u>	<u>Misc Expense</u>	<u>Total</u>
													415.00	415.00
7/21/2009	47143	NRECA	RE Magazine sub											
var	var	EKPC	Health insurance premiums									45,851.23		45,851.23
var	var	NRECA	24 Hour accident										75.40	75.40
var	var	Visa	Board meals and snacks								330.01			330.01
var	var	All the Way Shopp	Board meals and snacks								1,743.73			1,743.73
var	var	Federated Ins	DOM liability insurance										4,256.00	4,256.00
														0.00
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,073.74	45,851.23	4,746.40	52,671.37

SHELBY ENERGY COOPERATIVE, INC.
Shelbyville, Kentucky

POLICY NO. 106

DIRECTOR AND ATTORNEY BENEFITS

I. OBJECTIVE

The Board of Directors and Attorney serves an integral role in the Cooperative and the communities served by the Cooperative. Their responsibilities are many and all action taken by the board must display a true commitment to serve all members in a trustworthy and professional manner. To provide for the Board of Directors and Attorney benefits that will help retain competent and well-qualified individuals to perform these responsibilities and duties inside and outside the Board meeting. The following benefits will be provided for the Board and Attorney:

II. CONTENT

A. Monthly Stipend/Major Medical

For Directors and Attorney elected or appointed before July 1, 1996, they may choose Option (1), Option (2), or Option (3) listed below. Once the Director or Attorney chooses Option (2) or Option (3), he/she will no longer be eligible for Option (1).

For Directors and Attorney elected or appointed after July 1, 1996, the benefits will be based on Option (3). The benefits listed in Board Policy No. 917 and Board Policy No. 920 will no longer be available and no health or medical insurance premiums shall be paid by the Cooperative.

Option (1)

For Directors and Attorney elected or appointed before July 1, 1996, participation in the benefits as described in Board Policy No. 917 and Board Policy No. 920 will continue.

Option (2)

1. For Directors elected before July 1, 1996, a monthly stipend of \$1,000 shall be received in addition to the director fees as covered in Board Policy No. 110.

The benefits listed in Board Policy No. 917 and Board Policy No. 920 will no longer be available and no health or medical insurance premiums shall be paid by the Cooperative.

If a director retires with 20 or more years of active service, a monthly stipend of \$750 shall be received. Should the director be survived by a spouse, the stipend will continue until the death or remarriage of the spouse, whichever first occurs.

2. For the Attorney appointed before July 1, 1996, a monthly stipend of \$1,000 shall be received in addition to the monthly legal retainer as agreed upon by the Board of Directors.

The benefits listed in Board Policy No. 917 and Board Policy No. 920 will no longer be available and no health or medical insurance premiums shall be paid by the Cooperative

If the Attorney retires with 20 or more years of active service, a monthly stipend of \$750 shall be received. Should the Attorney be survived by a spouse, the stipend will continue until the death or remarriage of the spouse, whichever first occurs.

Option (3)

1. For Directors elected after July 1, 1996, a monthly stipend of \$1,000 shall be received in addition to the director fees as covered in Board Policy No. 110.
2. For the Attorney appointed after July 1, 1996, a monthly stipend of \$1,000 shall be received in addition to the monthly legal retainer as agreed upon by the Board of Directors.

B. Manager, Officer, Director Liability Insurance

The Cooperative carries Manager, Officer, Director Liability Insurance on

the above individuals. This covers negligent acts, any error, any omission or any breach of duty while acting in their capacity as Directors, Officers or Manager.

C. Business Travel

The Cooperative provides a Business Travel Policy covering the Director and/or Attorney while traveling to further the business of the Cooperative based on certain limitations within the policy.

D. 24 Hour Accident

The Cooperative provides a 24 Hour Accident Policy. This policy covers the insured while traveling for the Cooperative or while at home on personal business.

III. RESPONSIBILITY

The President and Chief Executive Officer is responsible to the Board to see that overall compliance with this policy is adhered to.

Adopted: December 22, 1982
Revised: April 28, 1988
June 24, 1999
July 31, 2007

Shelby Energy Cooperative
Case No. 2009-00410
Adjustment for miscellaneous expenses
July 31, 2009

Certain advertising expenses are disallowed for rate making purposes that are not for safety, conservation, information or the annual meeting. These have been removed from Account 909.00, Informational Expense.

Scholarships, the Washington Youth Tour, and other donations have been removed from Account 908.00, Customer Assistance Expense.

Employee Christmas and picnics have been removed, Chamber meeting expenses, annual meeting gifts, annual meeting nominating committee, and the Legislative Conference expenses have been removed from Account 930.20, Miscellaneous General Expenses.

The amounts removed for rate making purposes have been identified with an ("x") and are summarized as follows:

Account 908.00, Customer assistance	10,225
Account 909.00, Informational expenses	3,911
Account 909.00, Miscellaneous general	<u>29,309</u>
Total to remove	<u><u>43,445</u></u>

Shelby Energy Cooperative
Case No. 2009-00410
Customer Assistance Account 908.00
July 31, 2009

<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
8/12/2008	44832	Western Ky Univ	1,000.00	x Scholarship
8/12/2008	44833	Lee Univ	1,000.00	x Scholarship
10/31/2008	45365	Shelbyville Bd of Realtor	125.00	Annual membership fee
12/12/2008	45657	NRECA	15.02	x Youth tour poster
12/30/2008	45754	Visa	235.57	Photo supplies
1/20/2009	45911	KAEC	929.74	x 4-H contribution
2/3/2009	45978	Nationwide Imprinting C	620.31	x Washington Youth Tour
4/7/2009	46433	Trimble Co Public Librar	200.00	x Donation
4/10/2009	46446	Trimble Co Extension Of	50.00	x Donation
6/6/2009	46944	KAEC	2,400.00	x Washington Youth Tour
7/7/2009	47028	Univ of Ky	1,000.00	x Scholarship
7/7/2009	47028	Univ of Ky	1,000.00	x Scholarship
7/10/2009	47069	Univ of Ky	1,000.00	x Scholarship
7/21/2009	47147	Univ of Ky	1,000.00	x Scholarship
8/4/2009	47253	Visa	10.37	x Youth tour meal
		Employee labor and bene	74,997.99	
			<u>85,584.00</u>	
		Remove for rate making	<u>10,225.44</u>	x

Witness: Jim Adkins

Shelby Energy Cooperative
Case No. 2009-00410
Informational Expense Account 909.00
July 31, 2009

<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
8/5/2008	44771	Shelby Co Charities	100.00	x Donation
8/8/2008	44786	Trimble Co HS	25.00	x Donation
8/8/2008	44788	Ohio Valley United Char	100.00	x Donation
9/20/2008	44947	Eastern Elem PTO	50.00	x Donation
9/5/2008	44974	K-95 WKID	95.00	Safety ad
9/5/2008	44977	Trimble Co Repair Affair	100.00	x Donation
9/5/2008	44979	Ky Classified Network	114.82	Job search posting
9/12/2008	45040	Shelby Co Sheriff	100.00	x Donation
9/26/2008	45125	Bedford Elem PTA	50.00	x Donation
9/26/2008	45130	Campbellsburg Elem PTO	50.00	x Donation
10/10/2008	45215	Milton Elem School	50.00	x Donation
10/17/2008	45262	K-95 WKID	95.00	Safety ad
10/17/2008	45263	Trimble Banner Democræ	322.50	Conservation ad
10/17/2008	45264	The Sentinel News	605.00	Safety ad
10/21/2008	45295	Forever Communications	220.00	Safety ad
10/31/2008	45371	Shelby Co Lady rockets	60.00	x Donation
11/4/2008	45408	Plum Lick Publishing	1,119.36	History of Ky cooperatives bool
11/7/2008	45439	Visa 3631	550.08	Telephone directory listing
11/14/2008	45485	Forever Communications	130.00	Safety ad
11/21/2008	45527	Trimble Banner Democræ	57.00	x Promotion ad
12/5/2008	45593	K-95 WKID	100.00	Safety ad
12/5/2008	45613	The Sentinel News	138.88	Safety ad
12/5/2008	45613	The Sentinel News	42.40	Newspaper subscription
12/9/2008	45631	Shelby Co Optimist	50.00	x Donation
12/19/2008	45716	Forever Communications	100.00	Safety ad
1/2/2009	45796	NRECA	62.50	Low Cost Energy brochures
1/9/2009	45851	Forever Communications	100.00	Safety ad
1/9/2009	45856	K-95 WKID	100.00	Safety ad
1/9/2009	45857	Trimble Banner Democræ	239.19	x Promotion ad
1/9/2009	45858	Ky Classified Network	292.59	x Promotion ad
1/20/2009	45926	Relay for Life	50.00	x Donation
1/23/2009	45934	Blue Grass Energy	295.00	x Promotion ad
2/10/2009	46025	Henry Co Local	30.00	x Donation
2/13/2009	46036	Shelby Co Fair	100.00	x Donation
2/13/2009	46045	Trimble Co Prom	100.00	x Donation
2/13/2009	46056	New Castle Spring fling	100.00	x Donation
2/13/2009	46057	Emminence HS	100.00	x Donation
2/13/2009	46064	Judy Lea Memorial	50.00	x Donation
2/13/2009	46074	Relay for Life	100.00	x Donation
2/17/2009	46092	The Sentinel News	403.25	Stmnt of nondiscrimination ad

Shelby Energy Cooperative
Case No. 2009-00410
Informational Expense Account 909.00
July 31, 2009

<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
2/17/2009	46093	Ky Classified Network	38.25	Employment ad
2/24/2009	46129	Shelbyville Rotary	100.00	x Donation
2/27/2009	46145	Big Bros/Big Sis	50.00	x Donation
2/27/2009	46162	Helen Robak	72.00	Button up
2/27/2009	46163	Paducah Bank	375.00	x Donation
3/6/2009	46228	Houchen Wildlife	50.00	x Donation
3/6/2009	46241	Shelby Co Farmers Mkt	50.00	x Donation
3/6/2009	46243	Ragan Communications	159.00	HR magazine subscription
3/10/2009	46255	The Sentinel News	774.00	Ice storm restoration
3/10/2009	46256	Ky Classified Network	189.47	Employment ad
3/10/2009	46257	News Democrat	129.00	Safety ad
3/13/2009	46264	Bagdad Baptist Church	50.00	x Donation
3/13/2009	46289	Shelby Co Fair	50.00	x Donation
3/17/2009	46296	Shelby Co HS	50.00	x Donation
3/17/2009	46309	Trimble Co HS	100.00	x Donation
4/1/2009	46362	EKPC	60.00	Simple Savings Tips brochure
4/3/2009	46401	EZ Go Golf Charity	50.00	x Donation
4/7/2009	46424	K-95 WKID	125.00	Safety ad
4/7/2009	46428	Trimble Banner Democræ	34.98	Subscription
4/10/2009	46447	The Sentinel News	404.00	Conservation ad
4/21/2009	46483	Big Bros/Big Sis	25.00	x Donation
5/1/2009	46569	Trimble Co Apple fest	100.00	x Donation
5/1/2009	46588	Shelby Co Fair	50.00	x Donation
5/8/2009	46637	Shelby Co Charities	50.00	x Donation
5/12/2009	46654	Marnel Moorman family	50.00	x Donation
5/12/2009	46662	The Sentinel News	405.30	EKPC rate increase flow thru
5/29/2009	46746	Milton Park Board	65.00	x Donation
5/29/2009	46756	Henry Co Chamber	60.00	x Sponsorship
6/12/2009	46872	Shelby Co EMS	350.00	x Donation
6/19/2009	46908	K-95 WKID	137.50	Safety and conservation ads
6/23/2009	46928	Forever Communications	200.00	Safety and conservation ads
6/23/2009	46932	The Sentinel News	365.00	Safety ad
6/26/2009	46955	Shelby Co Theatre	300.00	x Donation
7/7/2009	47036	Bedford Loan & Deposit	40.00	x Donation shirts
7/14/2009	47095	Lowes Business Acct	246.75	x Annual mtg gifts
7/21/2009	47149	Simpsonville Fall Fest	100.00	x Donation
7/21/2009	47150	Trimble Banner Democræ	321.50	Safety ad
7/24/2009	47166	Ohio Valley United Char	50.00	x Donation
7/24/2009	47186	Cropper Ruritan Club	50.00	x Donation
7/28/2009	47204	Trimble Co HS	100.00	x Donation football

Shelby Energy Cooperative
Case No. 2009-00410
Informational Expense Account 909.00
July 31, 2009

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
7/31/2009	47208	EKPC	30.62	Carbon Tax handout
8/4/2009	47246	KAEC	424.00	Ice storm books
		Employee labor and bene	8,159.98	
			<u>21,138.92</u>	
		Amounts to exclude for rate making purposes	<u>3,910.53</u> x	

Shelby Energy Cooperative
Case No. 2009-00410
Miscellaneous General Expenses Account 930.20
July 31, 2009

	<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
11	8/5/2008	44761	Tim Wolpert	250.00	Distribution control seminar fee
12	8/5/2008	44762	Dale Thomas	250.00	Distribution control seminar fee
13	8/8/2008	44778	Shelby Energy Petty Cash	10.10	Cash short
14	8/19/2008	44867	KAEC	756.00	CSR training (7) employees
15	8/19/2008	44868	Shelby Energy Petty Cash	53.76	Meal employee HR mtg
16	8/19/2008	44871	Henry Co Chamber	42.00	x Meals
17	8/19/2008	44875	Gary Warford	596.60	Lineman training school expenses
18	8/22/2008	44883	NRECA	1,005.00	Acctg conf mtg fee
19	8/22/2008	44886	TVPPA	190.00	Alternating Current Fund - books
20	8/22/2008	44894	Shelving Systems Plus	165.60	Glass covering for desk
21	8/29/2008	44912	Farrah Cox	87.75	Mileage for personal vehicle
22	8/29/2008	44925	Visa - 136	24.82	UPS charge
23	8/29/2008	44926	Visa - 136	47.53	CAD map training meal
24	8/29/2008	44927	Visa - 3631	691.41	Exp to SEDC conference
25	8/29/2008	44928	Visa - 3989	595.00	Lineman operations lab fee
26	8/29/2008	44928	Visa - 3989	1,046.66	Lineman training school motel
27	8/29/2008	44928	Visa - 3989	502.50	NRECA mtg exp - CEO
28	8/29/2008	44928	Visa - 3989	298.97	Meals for empl mtg, postage
29	8/29/2008	44929	Visa - 4259	1,623.97	Distribution control seminar exp
30	8/29/2008	44929	Visa - 4259	329.41	Lineman training school expenses
31	8/29/2008	44929	Visa - 4259	277.68	NESC Safety Training Seminar exp
32	9/2/2008	44938	KAEC	225.99	Superintendent conf fee
33	9/2/2008	44938	KAEC	140.52	Warehouse skills workshop exp
34	9/2/2008	44938	KAEC	6,062.53	Ky Living magazine
35	9/2/2008	44945	Visa - 378	73.70	Mtg w/ contractors re: safety
36	9/2/2008	44946	Debbie Martin	290.16	Mileage for personal vehicle
37	9/2/2008	44948	Theresa Atha	31.01	Mileage for personal vehicle
38	9/5/2008	44954	UPS	24.60	Postage
39	9/5/2008	44955	Wayne Anderson	288.99	Mileage for personal vehicle
40	9/5/2008	44972	Nancy Gossom	106.47	Mileage for personal vehicle
41	9/5/2008	44976	Mike Nethery	239.27	Mileage for personal vehicle
42	9/5/2008	44978	Gay Tennill	84.83	Mileage for personal vehicle
43	9/5/2008	44986	KMMA	300.00	Registration Ky Material Mgr Asso
44	9/9/2008	44997	Shelby Energy Petty Cash	26.73	Lineman training school meal
45	9/9/2008	45006	SEDC	800.00	SEDC training conference fee
46	9/9/2008	45008	Owen Electric Coop	386.34	x Ky Speedway Suite
47	9/9/2008	45020	Ky PSC	15,000.00	x Civil penalty
48	9/12/2008	45032	Gary Warford	652.52	Lineman training school expenses
49	9/19/2008	45067	TVPPA	141.00	Lineman training school expenses
50	9/23/2008	45085	Jason Ginn	759.96	NRECA loss control seminar exp
51	9/26/2008	45105	KAEC	5,778.36	Annual mtg setups
52	9/26/2008	45105	KAEC	102.50	New employee orientation (5) emp
53	9/26/2008	45105	KAEC	6,073.97	Ky Living magazine
54	9/26/2008	45116	Visa - 136	38.80	Postage
55	9/26/2008	45129	Rockhurst Univ	490.78	OSHA training conference exp
56	9/30/2008	45133	Visa - 136	22.04	Meal w/ industrial customer
57	9/30/2008	45134	NRECA	169.60	Legal Reporting Svc subscription
58	9/30/2008	45135	Visa 144	108.27	Meal for employee mtg

Shelby Energy Cooperative
Case No. 2009-00410
Miscellaneous General Expenses Account 930.20
July 31, 2009

	<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
59	9/30/2008	45137	Visa - 378	92.37	Employee safety mtg meal
60	9/30/2008	45140	Visa - 3631	47.42	Snacks for safety mtg
61	9/30/2008	45143	Visa - 4259	547.66	Safety training seminar exp
	9/30/2008	45143	Visa - 4259	119.34	Meals for empl mtg
62	10/3/2008	45162	Hall's Safety Equip	270.94	Safety glasses
63	10/3/2008	45177	Debbie Martin	246.86	Mileage for personal vehicle
64	10/3/2008	45178	Gay Tennill	79.56	Mileage for personal vehicle
65	10/3/2008	45180	Farrah Cox	120.51	Mileage for personal vehicle
66	10/3/2008	45188	BPW/River City	80.00	Leadership Seminar fee
67	10/7/2008	45193	Wayne Anderson	477.36	Mileage for personal vehicle
68	10/10/2008	45211	NRECA	1,495.00	Loss Control Int Program fee
69	10/14/2008	45226	KAEC	233.07	Hotline Skills Workshop exp
70	10/14/2008	45230	TVPPA	1,200.00	Utility Compliance Fact Act fee
71	10/17/2008	45244	KAEC	160.55	Hazmat Refresher Train seminar
72	10/17/2008	45254	Red Bud Supply	516.36	Safety gloves
73	10/17/2008	45267	Theresa Atha	197.60	Mileage for personal vehicle
74	10/17/2008	45270	Bedford Elementary PTA	50.00	x Donation
75	10/24/2008	45308	Shelby Energy Petty Cash	164.98	x Employee picnic
76	10/24/2008	45316	Our Best Restaurant	496.85	x Employee picnic
77	10/31/2008	45363	Visa 144	690.18	NRECA Rgion mtg exp - CEO
78	10/31/2008	45364	Visa - 378	965.08	x Employee picnic
79	10/31/2008	45365	Visa - 136	128.13	Membership Board of Realtors
80	10/31/2008	45370	Visa - 4259	1,824.54	Cert. Loss Control Program exp
81	11/1/2008	45379	Farrah Cox	227.56	Mileage for personal vehicle
82	11/4/2008	45382	KAEC	55.26	Energy Alert handouts
83	11/4/2008	45382	KAEC	6,080.41	Ky Living magazine
84	11/4/2008	45384	Hall's Safety Equip	386.53	Safety boots
85	11/4/2008	45385	Wayne Anderson	319.16	Mileage for personal vehicle
86	11/4/2008	45397	Gay Tennill	103.35	Mileage for personal vehicle
87	11/4/2008	45400	Theresa Atha	7.61	Mileage for personal vehicle
88	11/4/2008	45404	Denise Hume	136.89	Mileage for personal vehicle
89	11/4/2008	45405	Visa - 3989	1,440.50	SEDC training conference exp
90	11/7/2008	45439	Visa - 3631	282.20	"Red Flag" mtg exp
91	11/11/2008	45461	KAEC	74.00	KAEC/PSC Regulation mtg meal
92	11/11/2008	45471	Debbie Martin	214.70	Mileage for personal vehicle
93	11/14/2008	45481	Ace Hardware	27.55	Office keys
94	11/14/2008	45491	Tractor Supply Co	37.08	x Employee picnic
95	11/21/2008	45517	Shelby Energy Petty Cash	245.46	x Christmas, employee picnic
96	11/25/2008	45550	Fred Pryor Seminars	149.00	OSHA training conference fee
97	12/1/2008	45553	Jason Ginn	62.01	Mileage for personal vehicle
98	12/2/2008	45562	Debbie Martin	213.06	Mileage for personal vehicle
99	12/2/2008	45563	Farrah Cox	152.68	Mileage for personal vehicle
100	12/2/2008	45564	Gay Tennill	149.06	Mileage for personal vehicle
101	12/2/2008	45566	KAEC	6,079.41	Ky Living magazine
102	12/2/2008	45567	NRECA	535.00	Annual mtg registration - CEO
103	12/2/2008	45568	Nationwide Imprinting Corp	66.11	x Christmas party
104	12/2/2008	45575	Theresa Atha	15.79	Mileage for personal vehicle
105	12/5/2008	45591	Infotex, Inc.	175.00	Support for software

Shelby Energy Cooperative
Case No. 2009-00410
Miscellaneous General Expenses Account 930.20
July 31, 2009

	<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
106	12/5/2008	45600	Owen Electric Coop	2,334.00	x Ky Speedway Suite
107	12/5/2008	45603	Pro Lift	65.00	Fork lift operation training
108	12/5/2008	45604	Shelby County Farm Bureau	49.75	Annual dues
109	12/5/2008	45605	Shelby Energy Petty Cash	34.71	Meals for employee mtg
110	12/5/2008	45616	Visa 144	49.03	x Christmas party
111	12/5/2008	45617	Visa - 378	65.77	Meal w/ industrial customer
112	12/5/2008	45618	Visa - 3631	37.88	x Christmas party
113	12/5/2008	45619	Visa - 3989	476.73	Office equipment
114	12/5/2008	45620	Visa - 4259	1,158.25	Loss Control Seminar exp
	12/5/2008	45620	Visa - 4259	97.45	x Christmas party
115	12/9/2008	45626	Visa - 136	93.65	IT office parts
116	12/9/2008	45632	Executrain of KY	195.00	Computer training seminar
117	12/9/2008	45632	Executrain of KY	195.00	Computer training seminar
118	12/12/2008	45655	Wayne Anderson	256.82	Mileage for personal vehicle
119	12/19/2008	45710	Shelby Energy Petty Cash	50.42	x Christmas party
120	12/22/2008	45720	Farrah Cox	100.00	Mileage for personal vehicle
121	12/23/2008	45732	Shelby Co Chamber	550.00	x Membership
122	12/30/2008	45743	KAEC	364.00	KAEC annual mtg exp - CEO
123	12/30/2008	45743	KAEC	6,059.56	Ky Living magazine
124	12/30/2008	45756	Visa 144	221.82	KAEC annual mtg exp - CEO
125	12/30/2008	45758	Visa - 378	98.36	Safety mtg meal
126	12/30/2008	45763	Visa - 3631	104.62	x Relay for Life
127	1/1/2009	45788	Visa - 3989	1,017.24	x Christmas gifts
128	1/2/2009	45791	WT's Electric City	112.34	Office expenses
129	1/2/2009	45792	Shelby Energy Petty Cash	10.85	x Christmas party
130	1/2/2009	45794	Wayne Anderson	372.04	Mileage for personal vehicle
131	1/2/2009	45799	Farrah Cox	147.42	Mileage for personal vehicle
132	1/2/2009	45800	Denise Hume	36.86	Mileage for personal vehicle
133	1/2/2009	45802	Visa - 4259	323.14	Safety Coordinator mtg exp
134	1/6/2009	45825	Gay Tennill	101.21	Mileage for personal vehicle
135	1/6/2009	45828	Theresa Atha	20.48	Mileage for personal vehicle
136	1/6/2009	45838	Claudia Sanders Dinner Ho	2,162.63	x Christmas dinner
137	1/7/2009	45841	Visa - 136	197.30	Institute of Electric Engineer dues
138	1/9/2009	45855	Debbie Martin	260.33	Mileage for personal vehicle
139	1/16/2009	45901	Hilltop Produce	175.25	Empolyee mtg meal
140	1/27/2009	45939	KAEC	700.00	Rate Seminar fee
141	1/27/2009	45939	KAEC	190.37	x Ky Chamber dues
142	1/27/2009	45954	Executrain of KY	195.00	Computer training seminar
143	1/27/2009	45957	Hilltop Produce	137.80	Employee training meal
144	6/26/2009	45959	Emminence Rotary	1,000.00	Annual mtg meals
145	1/30/2009	45965	Visa - 378	191.37	x Christmas gifts
146	2/3/2009	45975	KAEC	212.96	Safety Coordinator workshop
147	2/3/2009	45979	Visa 144	57.78	Meal w/ RUS representatives
148	2/3/2009	45987	Hilltop Produce	164.30	Employee mtg meal
149	2/3/2009	45988	Visa - 3989	303.22	NRECA annual mtg exp - CEO
150	2/3/2009	45988	Visa - 3989	17.74	x Sympathy cards
151	2/3/2009	45990	Visa - 4259	215.92	American Power Producer mtg
152	2/9/2009	46001	TVPPA	500.00	Membership dues

Shelby Energy Cooperative
Case No. 2009-00410
Miscellaneous General Expenses Account 930.20
July 31, 2009

	<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
153	2/10/2009	46011	Visa - 136	21.40	Meal w/ industrial customer
154	2/10/2009	46024	Becky Jennings	57.20	Mileage for personal vehicle
155	2/10/2009	46026	Theresa Atha	41.25	Mileage for personal vehicle
156	2/10/2009	46028	Farrah Cox	103.95	Mileage for personal vehicle
157	2/13/2009	46060	Gay Tennill	55.00	Mileage for personal vehicle
158	2/17/2009	46076	KAEC	6,059.56	Ky Living magazine
159	2/17/2009	46090	Debbie Martin	113.85	Mileage for personal vehicle
160	2/20/2009	46122	Hilltop Produce	137.80	CPR training meals
161	2/27/2009	46130	American Red Cross	1,767.00	CPR training instructions
162	2/27/2009	46141	Visa 144	285.66	UPS charges, KAEC mtg meal CEO
163	2/27/2009	46153	Visa - 3631	122.67	Meal for CSR high bill training
164	2/27/2009	46155	Hilltop Produce	169.60	Meal w/ mgt audit, PSC, consultant
165	2/27/2009	46155	Hilltop Produce	59.49	Meal for employee mtg
166	2/27/2009	46158	Visa - 4259	215.38	Meal for employee mtg
167	3/1/2009	46171	Farrah Cox	149.69	Mileage for personal vehicle
168	3/3/2009	46193	Gay Tennill	74.25	Mileage for personal vehicle
169	3/3/2009	46194	KAEC	200.00	Mgr Assoc dues
170	3/3/2009	46201	Wayne Anderson	213.65	Mileage for personal vehicle
171	3/3/2009	46205	Theresa Atha	53.35	Mileage for personal vehicle
172	3/3/2009	46206	Visa - 3989	235.00	NRECA annual mtg exp - CEO
173	3/6/2009	46225	Ky Council of Cooperatives	200.00	Membership dues
174	3/10/2009	46246	KAEC	6,066.51	Ky Living magazine
175	3/13/2009	46269	Debbie Martin	73.15	Mileage for personal vehicle
176	3/13/2009	46271	Graduate School, USDA	50.00	RUS training registration
177	3/13/2009	46284	Preston-Osborne Marketing	1,037.50	Customer satisfaction survey
178	3/13/2009	46285	Wayne Anderson	377.30	Mileage for personal vehicle
179	3/17/2009	46313	Service Concepts	429.30	Foam seal light switch covers
180	3/27/2009	46346	V.G. Curry	100.00	x Annual mtg credential committee
181	3/27/2009	46348	Service Concepts	110.93	Foam seal light switch covers
182	4/1/2009	46365	Visa - 136	25.00	Annual mtg photo
183	4/1/2009	46372	Visa - 378	22.04	Meal w/ IT consultant
184	4/1/2009	46377	Theresa Atha	30.80	Mileage for personal vehicle
185	4/1/2009	46379	Farrah Cox	310.20	Mileage for personal vehicle
186	4/1/2009	46384	Visa - 3989	1,128.93	CSR training seminar exp
187	4/1/2009	46385	Visa - 4259	166.23	Loss Control Seminar exp
188	4/3/2009	46389	KAEC	6,055.10	Ky Living magazine
189	4/3/2009	46396	Pam Goetzinger	36.30	Mileage for personal vehicle
190	4/7/2009	46406	KAEC	322.00	OSHA training conference exp
191	4/7/2009	46411	Nationwide Imprinting Corp	1,030.60	x Annual mtg gifts
192	4/7/2009	46412	Visa	24.00	Annual fee
193	4/7/2009	46413	NRECA	1,495.00	Loss Control Seminar fee
194	4/7/2009	46425	Gay Tennill	149.60	Mileage for personal vehicle
195	4/7/2009	46426	Executrain of KY	195.00	Computer training seminar
196	4/10/2009	46439	Wayne Anderson	324.62	Mileage for personal vehicle
197	4/10/2009	46451	Denise Hume	9.35	Mileage for personal vehicle
198	4/14/2009	46458	AT&T Directory Sales	154.80	Yellow page ad
199	4/14/2009	46464	Debbie Martin	96.25	Mileage for personal vehicle
200	4/24/2009	46514	Holiday Inn Univ Plaza	208.70	Employee training expenses

Shelby Energy Cooperative

Case No. 2009-00410

Miscellaneous General Expenses Account 930.20

July 31, 2009

	<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
201	4/24/2009	46518	KAEC	75.00	Accounting Seminar fee
202	4/24/2009	46521	Nationwide Imprinting Corp	81.22	x Annual mtg gifts
203	4/24/2009	46531	Visa - 3631	42.55	Employee mtg meal
204	4/28/2009	46538	Visa - 136	11.90	Utility Mgrs mtg meal
205	4/28/2009	46541	Visa 144	152.50	x Nominating committee meal
206	4/28/2009	46560	Visa - 3989	2,184.17	CSR training seminar exp
207	5/1/2009	46578	Visa - 378	564.42	Engineering & Operations mtg exp
208	5/1/2009	46585	Farrah Cox	298.10	Mileage for personal vehicle
209	5/1/2009	46589	Visa - 4259	1,505.35	Loss Control Seminar fee
210	5/5/2009	46592	KAEC	6,052.12	Ky Living magazine
211	5/5/2009	46598	Wayne Anderson	359.70	Mileage for personal vehicle
212	5/5/2009	46611	Gay Tennill	239.39	Mileage for personal vehicle
213	5/8/2009	46623	Debbie Martin	295.35	Mileage for personal vehicle
214	5/8/2009	46634	Nationwide Imprinting Corp	709.44	Annual mtg ballots
215	5/8/2009	46639	Theresa Atha	58.45	Mileage for personal vehicle
216	5/15/2009	46672	KAEC	100.00	Engineering & Operations mtg fee
217	5/15/2009	46673	Executrain of KY	195.00	Computer training seminar
218	5/26/2009	46728	Hilltop Produce	41.34	Employee training meal
219	5/29/2009	46731	KAEC	6,052.62	Ky Living magazine
220	5/29/2009	46739	Visa - 136	110.39	TVPPA HR conference exp
221	5/29/2009	46742	Visa 144	1,383.54	x Legislatiive Conf exp
222	5/29/2009	46745	Visa - 378	160.38	Eng & Op mtg exp
223	5/29/2009	46749	Visa - 3631	613.10	TVPPA HR conference exp
224	5/29/2009	46752	Benton Bohannon	104.98	Underground Workshop exp
225	5/29/2009	46754	Visa - 3989	2,007.00	Computer training courses
226	5/29/2009	46754	Visa - 3989	1,435.00	Load Control seminar
227	5/29/2009	46754	Visa - 3989	925.20	SEDC Users mtg exp
228	5/29/2009	46754	Visa - 3989	125.50	Board meal, office supplies
229	6/1/2009	46767	Farrah Cox	175.45	Mileage for personal vehicle
230	6/2/2009	46773	Nationwide Imprinting Corp	100.00	x Annual mtg gifts
231	6/2/2009	46778	Debbie Martin	245.85	Mileage for personal vehicle
232	6/2/2009	46779	Gay Tennill	212.30	Mileage for personal vehicle
233	6/5/2009	46792	Wayne Anderson	289.85	Mileage for personal vehicle
234	6/5/2009	46800	Denise Hume	657.07	KAEC Acctg Conf expenses
235	6/5/2009	46802	Visa - 4259	581.53	Ky RUS mtg exp
236	6/9/2009	46806	KAEC	135.00	HR seminar fee
237	6/9/2009	46809	Shelby Energy Petty Cash	43.70	Computer training exp
238	6/9/2009	46816	Henry Co Chamber	40.00	x Annual mtg dinner
239	6/9/2009	46832	Visa - 4679	1,413.35	CRC training seminar exp
240	6/12/2009	46841	Nationwide Imprinting Corp	53.00	Annual mtg signs
241	6/12/2009	46842	NRECA	1,225.00	Acctg & Finance mtg fee
242	6/12/2009	46845	Shelby Energy Petty Cash	29.00	Notary renewal
243	6/12/2009	46846	Executrain of KY	195.00	Computer training courses
244	6/12/2009	46846	Executrain of KY	195.00	Computer training courses
245	6/12/2009	46846	Executrain of KY	195.00	Computer training courses
246	6/12/2009	46862	Graduate School, USDA	100.00	RUS training registration (2)
247	6/16/2009	46895	Preston-Osborne Marketing	1,037.50	Customer satisfaction survey
248	6/16/2009	46896	Theresa Atha	111.10	Mileage for personal vehicle

Shelby Energy Cooperative
Case No. 2009-00410
Miscellaneous General Expenses Account 930.20
July 31, 2009

	<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
249	6/16/2009	46901	Graduate School, USDA	50.00	RUS training registration
250	6/19/2009	46905	American Red Cross	164.00	First aid kits
251	6/23/2009	46927	Shelby Energy Petty Cash	1,000.00	x Annual mtg prizes
252	6/23/2009	46933	Patrick Cox	75.00	Annual mtg entertainment
253	6/26/2009	46947	Charles Corolla	100.00	x Annual mtg nominating committee
254	6/26/2009	46948	Henry Sibley	100.00	x Annual mtg nominating committee
255	6/26/2009	46950	the Garry Polston Family	1,000.00	Annual mtg entertainment
256	6/26/2009	46951	Henry Co EMS	100.00	Annual mtg safety
257	6/26/2009	46956	Larry Bohannon	100.00	x Annual mtg nominating committee
258	6/26/2009	46957	Robbie Ethington	100.00	x Annual mtg nominating committee
259	6/26/2009	46958	Jerry Slocum	100.00	x Annual mtg nominating committee
260	6/26/2009	46960	Steve Watts	50.00	x Annual mtg nominating committee
261	6/26/2009	46961	Barney Barnett	100.00	x Annual mtg nominating committee
262	6/26/2009	46962	V.G. Curry	100.00	x Annual mtg nominating committee
263	6/26/2009	46963	Aaron Snelling	50.00	x Annual mtg nominating committee
264	6/30/2009	46964	KAEC	54.00	x Legislativative Conf exp
265	6/30/2009	46967	Shelby Energy Petty Cash	35.07	Meal at KAEC training
266	6/30/2009	46972	Owen Electric Coop	632.90	Safety mtg exp
267	6/30/2009	46977	Hilltop Produce	73.14	Employee mtg meal
268	7/1/2009	46986	Gay Tennill	180.95	Mileage for personal vehicle
269	7/2/2009	46990	KAEC	308.00	Superintendent conf fee
270	7/2/2009	46994	Walmart	61.82	Board mtg snacks
271	7/2/2009	46996	Visa - 136	90.09	Annual mtg supplies
272	7/2/2009	46997	Visa - 136	365.96	Annual mtg setup
273	7/2/2009	46998	Visa 144	63.03	Meals during system inspection
274	7/2/2009	47002	Visa - 378	538.15	Eng & Op mtg exp
275	7/2/2009	47005	Theresa Atha	185.04	Mileage for personal vehicle
276	7/2/2009	47006	Visa - 3989	116.18	x Nominating committee meal
277	7/2/2009	47008	Visa - 4259	1,580.85	Cert. Loss Control Program exp
278	7/7/2009	47019	Wayne Anderson	295.90	Mileage for personal vehicle
279	7/7/2009	47027	Jason Ginn	853.05	Cert. Loss Control Program mileage
280	7/7/2009	47035	Candace Warford	72.60	Mileage for personal vehicle
281	7/10/2009	47057	Shelby Energy Petty Cash	21.54	Safety mtg snacks
282	7/10/2009	47075	Farrah Cox	88.00	Mileage for personal vehicle
283	7/14/2009	47081	KAEC	3,056.00	Annual mtg reports
284	7/14/2009	47081	KAEC	5,168.62	Ky Living magazine
285	7/17/2009	47121	Forever Communications	300.00	Annual mtg ad
286	7/17/2009	47123	Debbie Martin	107.80	Mileage for personal vehicle
287	7/17/2009	47124	K-95 WKID	137.50	Annual mtg ad
288	7/17/2009	47128	Denise Hume	1,235.52	NRECA Acctg Conf expenses
289	7/21/2009	47140	KAEC	400.00	Material Mgr conf
290	7/21/2009	47140	KAEC	330.00	Material Basic Skills conf
291	7/21/2009	47140	KAEC	450.75	Underground conf
292	7/21/2009	47143	NRECA	1,125.00	Region 2 and 3 Mtg registration
293	7/21/2009	47143	NRECA	775.00	Executive Asst Conf registration
294	7/21/2009	47145	Oates Flag Co	284.08	State of Ky flags
295	7/24/2009	47159	Henry Co Bd of Ed	154.92	Annual mtg custodian/rent
296	7/24/2009	47161	NRECA	1,495.00	Loss Control Seminar registration

Shelby Energy Cooperative
Case No. 2009-00410
Miscellaneous General Expenses Account 930.20
July 31, 2009

	<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
297	7/24/2009	47168	The Sentinel News	1,433.79	Annual mtg ad
298	7/24/2009	47175	Hilltop Produce	234.26	OSHA training meal (day 1)
299	7/24/2009	47175	Hilltop Produce	274.49	OSHA training meal (day 2)
300	7/24/2009	47185	Webb Photography	288.50	Annual mtg photos
301	7/28/2009	47191	Shelby Energy Petty Cash	51.00	x Chamber lunch
302	7/28/2009	47197	Power Engineer Assoc	100.00	Eng/Operations Mtg registration
303	7/28/2009	47200	Hilltop Produce	228.96	Employee safety mtg meal
304	7/31/2009	47211	Executrain of Lexington	99.00	Computer training courses
305	7/31/2009	47216	KAEC	405.00	Lineman training course
306	7/31/2009	47217	Hilltop Produce	279.84	Board meal
307	8/4/2009	47250	Wayne Anderson	311.85	Mileage for personal vehicle
308	8/4/2009	47252	Visa - 136	24.69	Utility Mgrs mtg meal
309	8/4/2009	47253	Visa - 136	437.86	Annual mtg supplies
310	8/4/2009	47254	Visa - 136	62.61	Meals w/ IT specialist
311	8/4/2009	47255	Visa 144	985.02	CFC Financial Forum exp - CEO
312	8/4/2009	47259	Visa - 378	410.34	Eng & Op mtg exp
313	8/4/2009	47263	Gay Tennill	53.35	Mileage for personal vehicle
314	8/4/2009	47265	Theresa Atha	50.60	Mileage for personal vehicle
315	8/4/2009	47269	Visa - 3989	278.15	Employee mtg meal
316	8/4/2009	47269	Visa - 3989	132.48	x Employee picnic
317	8/4/2009	47269	Visa - 3989	53.82	Board meals
318	8/4/2009	47269	Visa - 3989	72.80	Eng & Op mtg exp
319	8/4/2009	47269	Visa - 3989	4,234.11	NRECA Acctg Conf exp
320	8/4/2009	47271	Visa - 4259	1,306.25	Loss Control Seminar exp
321	8/4/2009	47273	Visa - 4679	55.72	Meals while picking up truck
322	8/11/2009	47302	KAEC	140.23	Annual mtg posters
323	8/11/2009	47302	KAEC	143.38	Annual mtg report handouts
324	8/11/2009	47302	KAEC	6,082.39	Ky Living magazine
325	8/11/2009	47311	TVPPA	379.00	Human Resource Mgt conf reg
326	8/11/2009	47312	Becky Jennings	64.90	Mileage for personal vehicle
327	8/14/2009	47333	Debbie Martin	231.00	Mileage for personal vehicle
328	8/18/2009	47367	Farrah Cox	69.30	Mileage for personal vehicle
329	var	var	Nancy Gossom	308.33	Mileage for personal vehicle
330	var	var		237.95	less than \$100
331	1/27/2009	45939	KAEC	37,199.77	Annual dues
332	11/1/2008	45375	NRECA	20,330.73	Annual dues
333			Labor and benefits	<u>30,876.96</u>	
334				<u>291,222.07</u>	
335					
336			Items disallowed for rate making purposes	<u>29,309.02</u>	x
337					
338			Summary of Miscellaneous expenses:		
339	930.20	Miscellaneous		164,684.01	
340	930.21	Dues		126,538.06	
341	930.30	Director fees and expenses		<u>89,233.93</u>	
342					
343			Total	<u>380,456.00</u>	
344					

**SHELBY ENERGY COOPERATIVE
CASE NO. 2009-00410**

Rate Case Expenses

Estimated rate case expenses:

Attorney	\$5,000
Consultants	60,000
Advertising	5,000
Supplies and other miscellaneous	<u>2,000</u>
Total	72,000
Number of years	<u>3</u>
Amount of Adjustment	<u>\$24,000</u>

In-house labor is not included in the above adjustment because this labor would have been incurred under any circumstances.

This amount is very similar to the amount of rate case expense estimated in other rate applications before this Commission,

The monthly amounts filed for rate case expenses will include labor. However, this amount is not included as a part of the above adjustment.

Shelby Energy Cooperative
CATV Pole Attachments
December 31, 2008

Additional revenues generated

Description	Number	Charges		Revenue		Increase	
		Existing	Proposed	Existing	Proposed	Amount	Percent
2 party Pole Attachments	3,131	\$1.95	\$5.42	\$6,105	\$16,976	\$10,870	178%
2 party Anchor Attachments	97	1.59	7.02	154	681	\$526	341%
2 party Ground Attachments	2,033	0.44	0.24	895	494	(\$400)	-45%
3 party Pole Attachments	1,395	1.68	4.60	2,344	6,421	\$4,078	174%
3 party Anchor Attachments	549	1.06	4.63	582	2,542	\$1,960	337%
3 party Ground Attachments	613	0.27	0.15	166	92	(\$73)	-44%
Total				\$10,245	\$27,207	\$16,961	166%

Shelby Energy Cooperative
CATV Pole Attachments
December 31, 2008

A. 1. Two-Party Pole Cost:

<u>Size</u>	<u>Quantity</u>	<u>Amount</u>	<u>Weighted Average Cost</u>
35' poles	14,924	\$2,586,655	
40' - 45' poles	19,059	\$8,555,095	
	<u>33,983</u>	<u>\$11,141,750</u>	<u>\$327.86</u>

2. Three-Party Pole Cost:

<u>Size</u>	<u>Quantity</u>	<u>Amount</u>	<u>Weighted Average Cost</u>
40' - 45' poles	<u>19,059</u>	<u>\$8,555,095</u>	<u>\$448.87</u>

3. Average cost of anchors

\$88.29

B. 1. Pole Charge:

a. Two party =	\$327.86	85%	15.89%	0.1224	\$5.42
b. Three party =	\$448.87	85%	15.89%	0.0759	\$4.60

2. Pole Charge, with ground attachments:

a. Two party =	\$327.86	85%	\$12.50	15.89%	0.1224	\$0.24
b. Three party =	\$448.87	85%	\$12.50	15.89%	0.0759	\$0.15

3. Anchor Charge:

a. Two party =	\$88.29		15.89%	0.50	\$7.02
b. Three party =	\$88.29		15.89%	0.33	\$4.63

(1) Remove miscellaneous allocations to pole accounts when using Record Units in the continuing property record (CPR's) system, per PSC Administrative Case No. 251

Shelby Energy Cooperative
CATV Pole Attachments
December 31, 2008

Fixed charges on investment from PSC Annual Report at December 31, 2007.

Total Distribution Expense	2,765,603	
Reference Page 14		
Customer Accounts Expense	718,598	
Reference Page 15		
Customer Service and Informational Expense	140,184	
Reference Page 15		
Administrative and General	860,421	
Reference Page 15		
Depreciation Expense	1,793,305	
Reference Page 13		
Taxes Other than Income Taxes	34,608	
Reference Page 13		
	<hr/>	
Sub total	6,312,719	
Divided by Total Utility Plant	62,537,689	10.09%
Line 2, Page 1		
Cost of Money		
Rate of Return on Investment allowed in the last General		
Rate Request, Case No 8361	6.83%	
Net plant ratio adjustment:		
Distribution plant	<u>59,185,890</u>	
Accumulated depreciation	8,921,038	15.1%
Rate of return (times 1 minus reserve ratio)		<u>5.80%</u>
Annual carrying charges		<u><u>15.89%</u></u>

Shelby Energy Cooperative
PSC Case No. 2009-00314
Non Recurring Charges
July 31, 2009

Direct Wage Expense:	<u>Hours</u>	<u>Percent</u>
Total hours	2,080	100.00%
Average vacation	126	6.06%
Holidays	72	3.46%
Sick leave days	96	4.62%
Hours worked	<u>1,786</u>	<u>85.87%</u>

For every \$100.00 of labor paid, \$85.87 is paid for work and \$14.13 is paid for non-working hours. The allocation for Office and Service employees is as follows:

	<u>Employee Number</u>	<u>Hourly Rate</u>	<u>Percent</u>	<u>Non-Working Hourly Amount</u>
Accounting	801	\$26.01	14.13%	\$3.68
Office clerical - CSR	2314	\$17.47	14.13%	\$2.47
Field Service Representative	503	\$27.66	14.13%	\$3.91
Lineman	2309	\$30.62	14.13%	\$4.33

Other Costs Based on Labor:		<u>Total Charges</u>	<u>Percent of Labor</u>
Total labor	<u>\$2,185,841</u>		
Retirement and 401(k)		276,077	12.63%
Payroll taxes		169,736	7.77%
Worker's compensation insurance		59,570	2.73%
Total			<u>23.12%</u>

Other Direct Costs:	
Health insurance premiums	\$327,090
Postretirement benefits	<u>169,358</u>
	496,448
Number of employees	<u>32</u>
Annual cost per employee	\$15,514
Regular hours worked	<u>1,786</u>
Per hour amount	<u>\$8.69</u>

Shelby Energy Cooperative
PSC Case No. 2009-00314
Non Recurring Charges
July 31, 2009

Return Check Charge:

		<u>Estimated Hours</u>	<u>Per Hour</u>	<u>Amount</u>
Number of Minutes	<u>35</u>			
Direct labor charge		58.3%	\$17.47	\$10.19
Direct wage expense		58.3%	\$2.47	1.44
Other cost based on labor	\$17.47	58.3%	23.12%	2.36
Other direct cost per hour		58.3%	\$8.69	5.07
Bank charge				<u>7.50</u>
Total charges				<u>\$26.55</u>
Proposed charge				<u>\$25.00</u>

Meter Reading, Collection, Disconnect-Reconnect Charge:

	<u>Per Hour</u>	<u>Collection</u>	<u>Reconnect/ Disconnect</u>	<u>Overtime</u>	<u>Meter Test</u>
Serviceman:					
Number of minutes		<u>25</u>	<u>30</u>	<u>60</u>	<u>20</u>
Direct labor charge	\$27.66	\$11.53			
Direct labor charge	\$30.62		\$15.31	\$45.93	\$10.21
Direct wage expense	\$3.91	\$1.63	\$1.95		\$1.30
Other cost based on labor	23.12%	\$2.66	\$3.54	\$10.62	\$2.36
Other direct cost	\$8.69	\$3.62	\$4.34		\$2.90
Mileage	<u>10</u>	\$0.485	\$4.85		\$4.85
Mileage	<u>20</u>	\$0.485		\$9.70	
Office Clerical:					
Number of minutes		<u>15</u>	<u>15</u>	<u>20</u>	<u>20</u>
Direct labor charge	\$17.47	\$4.37	\$4.37	\$5.82	\$5.82
Direct wage expense	\$2.47	\$0.62	\$0.62	\$0.82	\$0.82
Other cost based on labor	23.12%	\$1.01	\$1.01	\$1.35	\$1.35
Other direct cost	\$8.69	\$2.17	\$2.17	\$2.90	\$2.90
Total		<u>\$32.45</u>	<u>\$38.16</u>	<u>\$77.14</u>	<u>\$32.50</u>
Proposed Charge		<u>\$30.00</u>	<u>\$35.00</u>	<u>\$75.00</u>	<u>\$32.50</u>

Shelby Energy Cooperative
PSC Case No. 2009-00314
Non Recurring Charges
July 31, 2009

Additional Revenues Generated:

Number	Charges		Revenue		Increase		
	Existing	Proposed	Existing	Proposed	Amount	Percent	
Return check	499	\$10.00	\$25.00	\$4,990	\$12,475	\$7,485	150%
Collection	387	\$25.00	\$30.00	9,675	11,610	1,935	20%
Reconnect for disconnect	827	\$25.00	\$35.00	20,675	28,945	8,270	40%
Meter Test	1	\$25.00	\$32.50	25	33	8	30%
Overtime	89	\$75.00	\$75.00	6,675	6,675	0	0%
Total				\$42,040	\$59,738	\$17,698	42%

Shelby Energy Cooperative
Case No. 2009-00410
Non-Recurring Charges

Return Check

When a check is not honored by the bank and is returned, the check is stamped "VOID". The Customer Service Representative ("CSR") reviews the return check, verifying the account number, name, accounts paid by the check, number of return checks for that customer, reason the check was returned, (i.e. NSF, Stop Payment, Account closed), whether it was collected by a Field Service Representative ("FSR"). The CSR will also ensure that there is no prior payment or billing arrangement or security deposit involved. The return check is then keyed to the account, as is the return check fee. The batch is balanced and the cash sheet is pulled. Totals are added to the daily balance sheet/branch office re-cap sheets. Then the check is keyed at a branch office, the amount is transferred to a Daily Balance Sheet. A letter is typed for mailing to the consumer notifying them of the return check and /or letter is typed notifying the consumer on a "NO CHECK" basis. The consumers' account is noted NC (if applicable) and if the consumer is on bank draft program, their account is taken off auto-payment and applicable notes are made to the account.

The letter is mailed to the consumer. A service order is issued to collect if the return check was collected by an FSR during a collection trip, or for an arrangement, or for security deposit, and the account is added to the call out list for the System Operators.

The account is monitored by the CSR to ensure that it is paid within ten days. If not paid, a service order is issued. Possible arrangements may be made by the CSR to extend time on the return check. If the return check is paid, the payment is processed by the CSR and the collection system is updated to clear out the field notification and the return check is pulled from the file and marked "PAID". The accounting department reconciles the return checks with the bank statement on a monthly basis and runs applicable reports.

Note Discussions with the departments involved indicate that it takes a minimum of 40 minutes to process and account for each return check.

Shelby Energy Cooperative
Case No. 2009-00410
Non-Recurring Charges

Collection Charge

The CSR produces disconnect tickets and sends them to the district offices, where they are printed. The customer names are entered on the call out list for the System Operators, and a courtesy call is made to attempt to collect the account before being sent to the FSR. If payment is not received, or a call received to make arrangements, the ticket is released to the FSR.

The FSR arranges his route and attempts to collect a payment. If unable to collect, he disconnects the service. Tickets are returned to the CSR who key any payments collected plus key the service charge for the fee.

Note Per discussions with the parties involved, it takes the FSR approximately 30 minutes for each trip, including time to prepare the completed paperwork. The CSR spends approximately 15 to 20 minutes to prepare their paperwork and key payments and charges into the system.

Reconnect for Disconnect

The CSR produces a reconnect for disconnect ticket and sends them to the district office, where they are printed. The customer names are entered on a call list for the System Operators, and a call is made to ensure the customer is at the location prior to reconnection of the service. The FSR arranges his route for reconnects. Before a service is reconnected, the FSR will visually inspect from the transformer to the meter to ensure that the service has not been tampered with, and that service can safely be reconnected. Tickets for reconnected services are returned to the CSR who keys the completed service order into the system to charge for the fee.

Note Per discussions with the parties involved, it takes the FSR approximately 30 minutes for each trip, including time to prepare the completed paperwork. The CSR spends approximately 15 to 20 minutes to prepare their paperwork and key payments and charges into the system.

Shelby Energy Cooperative
Case No. 2009-00410
Non-Recurring Charges

Meter Tests

Meter tests originate with the CSR, usually as a result of a high bill complaint. The CSR prepares a Meter Change Service order and receives and processes the payment for the request. After payment for the request is received, the CSR fills out the Meter Change Service Order and forwards this to the FSR.

The meter is re-read by the FSR and if indicated, the meter is pulled. The meter is brought to the meter shop where the meter technician contacts the consumer to see if they want to witness the test. Three separate tests are conducted. If the consumer is not present for the test, the meter technician contacts the consumer to provide verbal results. A written report is prepared documenting the results of the test, which is returned to the CSR to mail to the consumer.

Note Per discussions with the meter department, it requires approximately ninety (90) minutes to test the meter and record the results for mailing to the consumer. If the consumer is present, it usually takes longer as the consumer asks more questions during the process. It takes the CSR approximately twenty (20) minutes of clerical time.

Overtime

This process includes the same as for regular time. The difference is that jobs can not be coordinated with other jobs, either by route or by service location, since these are isolated occurrences. Since after hour trips are isolated, that is the reason for the mileage to be doubled from reconnects during regular hours.

Mileage

Per discussion with the VP Engineering/Operations and service men, it is estimated that each trip is approximately 10-15 miles. Therefore, 10 miles per trip was used.

Cost per Mile

The transportation system used by Shelby Energy does not allow for the calculations of a cost per mile for its vehicles. The costs are allocated on a per hour of use basis. Since most vehicles used on service calls, collections, and reconnects are service trucks, and not large bucket trucks, Shelby Energy has chosen to use the Internal Revenue Service cost per mile of \$0.485 (forty-eight and one-half cent).

**SHELBY ENERGY COOPERATIVE
CASE NO. 2009-00410**

G&T Capital Credits

East Kentucky Power Cooperative allocated capital credits during the test year of this rate application. Shelby has removed these revenues from its Statement of Operations which is consistent with the application of other electric cooperatives and the rate-making concepts of this Commission.

Account 423.00 – G&T Capital Credits:

\$350,180

Shelby Energy Cooperative, Inc.
Case No. 2009-00410
Purchased Power
July 31, 2009

	Case No. 2006-00510	Case No. 2008-00409	Case No. 2008-00519
Billing Rates			
KW-Sch B Contract	6.22	6.81	6.81
Excess contract	8.65	9.47	9.47
KW-Sch C	6.22	6.81	6.81
KW-Sch E2	5.22	5.71	5.71
KWH-Sch B/C	\$0.033455	\$0.036622	\$0.046772
KWH-Sch E2 On-Peak	\$0.042470	\$0.046491	\$0.056641
KWH-Sch E2 Off-Peak	\$0.034904	\$0.038209	\$0.048359
KVA 3000-7499	\$2,373	\$2,598	\$2,598
KVA 7500-14999	\$2,855	\$3,125	\$3,125
KVA 15000- 99999	\$4,605	\$5,041	\$5,041
Metering Point	\$125	\$137	\$137
Green Power	\$0.023750	\$0.023750	\$0.023750

	Billing Demand		Schedule E	Total	Sch B Kwh	KWH Billing		Total Kwh	Green Power	Metering Point	Substation Charge			Total	Total from Base Rates	Fuel Adjustment	Environmental Surcharge	Total
	Schedule B					On-Peak	Off-Peak				3000	7500	15000					
	Contract	Excess																
August	156,078	3,841	291,161	451,079	515,725	669,239	337,094	1,522,058	242	1,500	2,373	22,840	9,210	34,423	2,009,303	239,535	147,268	2,396,106
September	155,346	1,306	275,303	431,955	470,148	539,906	294,344	1,304,397	276	1,500	2,373	22,840	9,210	34,423	1,772,551	357,266	142,042	2,271,859
October	139,162	0	231,799	370,961	452,020	378,431	363,545	1,193,996	276	1,500	2,373	22,840	9,210	34,423	1,601,155	474,701	118,484	2,194,340
November	135,332	0	313,367	448,699	402,044	495,369	473,898	1,371,311	276	1,500	2,373	22,840	9,210	34,423	1,856,208	449,856	179,340	2,485,404
December	118,481	3,477	425,373	547,330	369,461	651,359	641,781	1,662,601	276	1,500	2,373	22,840	9,210	34,423	2,246,130	353,439	199,845	2,799,414
January	132,863	0	467,811	600,675	425,936	680,205	690,843	1,796,984	273	1,500	2,373	22,840	9,210	34,423	2,433,855	453,484	230,637	3,117,976
February	132,083	329	422,919	555,331	397,252	529,457	526,072	1,452,782	273	1,500	2,373	22,840	9,210	34,423	2,044,309	351,972	218,933	2,615,214
March	134,179	0	374,989	509,168	443,269	451,105	444,592	1,338,966	273	1,500	2,373	22,840	9,210	34,423	1,884,330	288,275	195,634	2,368,239
April	150,812	360	259,291	410,463	448,256	416,354	407,786	1,272,397	273	1,644	2,598	25,000	10,082	37,680	1,722,457	152,517	172,454	2,047,428
May	172,146	123	242,287	414,556	493,503	499,909	298,667	1,292,079	283	1,644	2,598	25,000	10,082	37,680	1,746,242	63,581	177,311	1,987,134
June	170,709	170	312,366	483,245	519,876	669,551	347,239	1,536,667	283	1,644	2,598	25,000	10,082	37,680	2,059,518	(5,646)	193,217	2,247,089
July	167,745	284	279,288	447,317	523,536	633,853	336,398	1,493,787	283	1,644	2,598	25,000	10,082	37,680	1,980,711	57,994	201,539	2,240,244
Total	1,764,935	9,890	3,895,953	5,670,779	5,461,024	6,614,740	5,162,261	17,238,025	3,285	18,576	29,376	282,720	114,008	426,104	23,356,769	3,236,974	2,176,704	28,770,447
Normalized in EKPC Case No. 2008-00519	<u>1,863,611</u>	<u>10,739</u>	<u>4,159,044</u>	<u>6,033,394</u>	<u>7,448,668</u>	<u>8,565,849</u>	<u>6,985,649</u>	<u>23,000,167</u>	<u>3,285</u>	<u>19,728</u>	<u>31,176</u>	<u>300,000</u>	<u>120,984</u>	<u>452,160</u>	29,508,733			
															Normalized Adjustment			<u>6,151,964</u>

Shelby Energy Cooperative, Inc.
Case No. 2009-00410
Purchased Power
Test Year Billing Determinants
July 31, 2009

	<u>Billing Demand</u>		<u>KWH Billing</u>				<u>Total</u> <u>Kwh</u>	<u>Green</u> <u>Power</u>	<u>Metering</u> <u>Point</u>	<u>Substation Charge</u>		
	<u>Schedule B</u>		<u>Sch B</u>	<u>Schedule E</u>		<u>2373</u>				<u>2855</u>	<u>4605</u>	
	<u>Contract</u>	<u>Excess</u>	<u>Schedule E</u>	<u>Kwh</u>	<u>On-Peak</u>	<u>Off-Peak</u>						
August	24,935	444	55,778	15,428,456	15,757,933	9,657,735	40,844,124	10,200	12	1	8	2
September	24,274	151	52,740	14,053,671	12,712,642	8,432,959	35,199,272	11,600	12	1	8	2
October	22,354	0	44,406	13,544,247	8,910,538	10,415,580	32,870,365	11,600	12	1	8	2
November	21,804	0	60,032	12,088,202	11,663,983	13,577,172	37,329,357	11,600	12	1	8	2
December	19,375	402	81,489	11,114,648	15,336,927	18,387,047	44,838,622	11,600	12	1	8	2
January	21,429	0	89,619	12,859,341	16,016,130	19,792,661	48,668,132	11,500	12	1	8	2
February	21,323	38	81,019	11,977,403	12,466,618	15,071,979	39,516,000	11,500	12	1	8	2
March	21,499	0	71,837	13,306,937	10,621,743	12,737,561	36,666,241	11,500	12	1	8	2
April	22,127	38	45,410	12,482,689	8,955,588	10,672,522	32,110,799	11,500	12	1	8	2
May	24,838	13	42,432	13,719,337	10,752,820	7,816,678	32,288,835	11,900	12	1	8	2
June	25,039	18	54,705	14,310,633	14,401,742	9,087,898	37,800,273	11,900	12	1	8	2
July	24,661	30	48,912	14,369,295	13,633,881	8,804,166	36,807,342	11,900	12	1	8	2
Total	273,658	1,134	728,379	159,254,859	151,230,545	144,453,958	454,939,362	138,300	144	12	96	24

**SHELBY ENERGY COOPERATIVE
CASE NO. 2009-00410**

Normalized Revenue

Normalized Base Rates for Test Year:	\$36,594,161
Revenue for Base Rates for the Test Year	<u>30,550,363</u>
Normalized Revenue Adjustments	<u>\$6,043,858</u>

Shelby Energy Cooperative, Inc.
Case No. 2009-00410
End of Test Year Customer Adjustment

	Rate 1 General <u>Service</u>	Rate 2 Large <u>Power</u>	Rate 3 Outdoor <u>Lighting</u>	Rate 10 Optional <u>Rate</u>	Sch B1 Large <u>Industrial</u>	Sche B2 Large <u>Industrial</u>
July	8,445	62	4,102	6,781	12	1
August	8,440	62	4,104	6,783	12	1
September	8,453	62	4,115	6,778	12	1
October	8,473	63	4,104	6,751	12	1
November	8,471	63	4,114	6,741	12	1
December	8,470	61	4,122	6,737	12	1
January	8,429	61	4,112	6,768	12	1
February	8,413	61	4,123	6,803	12	1
March	8,401	64	4,124	6,814	12	1
April	8,405	62	4,130	6,804	12	1
May	8,464	61	4,134	6,804	12	1
June	8,496	61	4,144	6,796	12	1
July	8,511	59	4,134	6,772	12	1
Average	8,452	62	4,120	6,779	12	1
Increase	<u>59</u>	<u>(3)</u>	<u>14</u>	<u>(7)</u>	<u>0</u>	<u>0</u>
Test year base revenue	8,751,694	2,682,522	376,795	10,054,585	6,745,999	1,911,700
kwh useage	104,466,460	37,492,120	2,305,054	139,076,969	118,062,866	36,694,268
Average per kwh	0.08378	0.07155	0.16346	0.07230	0.05714	0.05210
Total billings	101,426	740	49,460	81,351	144	12
Average monthly kwh use	1,030	50,665	47	1,710	819,881	3,057,856
Increase in consumers, times average use, times average rate, times 12 months, equals additional revenues						
Increase in revenues	61,091	(130,501)	1,280	(10,382)	0	0
Increase in consumers, times average use, times average cost per kwh purchased, times 12 months, equals additional power cost times average cost per kwh purchased,						
Increase in power cost	37,439	(93,642)	402	(7,373)	0	0
Net increase	<u>23,652</u>	(36,859)	878	(3,009)	0	0
Adjustment	<u>(15,338)</u>					
Base power cost			23,356,769			
Kwh purchased			454,939,362			
Cost per kwh purchased			0.05134			

2007
KENTUCKY ELECTRIC COOPERATIVES
AVERAGE EXPENSE PER CONSUMER
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>% CHANGE FROM 2003</u>
BIG SANDY	\$286	\$250	\$282	\$277	\$257	11.3 %
BLUE GRASS ENERGY	272	248	244	249	254	7.1
CLARK ENERGY COOP	240	237	241	248	269	-10.8
CUMBERLAND VALLEY	259	264	240	205	201	28.9
FARMERS	259	223	238	250	243	6.6
FLEMING-MASON	280	294	298	263	260	7.7
GRAYSON	350	307	309	318	304	15.1
INTER-COUNTY	280	280	272	249	253	10.7
JACKSON ENERGY	301	300	269	275	254	18.5
LICKING VALLEY	260	250	252	236	223	16.6
NOLIN	342	327	306	351	337	1.5
OWEN	250	267	237	253	246	1.6
SALT RIVER ELECTRIC	196	187	191	215	201	-2.5
SHELBY ENERGY	258	280	276	297	280	-7.9
SOUTH KENTUCKY	262	251	235	231	242	8.3
TAYLOR COUNTY	<u>203</u>	<u>212</u>	<u>195</u>	<u>192</u>	<u>191</u>	<u>6.3</u>
AVERAGE EKPC	\$269	\$262	\$255	\$256	\$250	7.6 %
JACKSON PURCHASE	\$303	\$300	\$269	\$239	\$238	27.3 %
KENERGY	333	354	347	311	274	21.5
MEADE COUNTY	<u>251</u>	<u>250</u>	<u>247</u>	<u>245</u>	<u>224</u>	<u>12.1</u>
AVERAGE BIG RIVERS	\$295	\$301	\$288	\$265	\$245	20.4 %
HICKMAN-FULTON	\$433	\$460	\$411	392	\$369	17.3 %
PENNYRILE	254	235	226	236	234	8.5
TRI-COUNTY	244	240	238	239	221	10.4
WARREN	310	302	294	289	263	17.9
WEST KENTUCKY	<u>331</u>	<u>313</u>	<u>329</u>	<u>288</u>	<u>284</u>	<u>16.5</u>
AVERAGE TVA	\$314	\$309	\$300	\$289	\$274	14.6 %
OVERALL AVERAGE	\$281	\$276	\$270	\$264	\$255	10.2 %

2007
KENTUCKY ELECTRIC COOPERATIVES
AVERAGE EXPENSE PER MILE OF LINE
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>% CHANGE FROM 2003</u>
BIG SANDY	\$3,676	\$3,221	\$3,590	\$3,508	\$3,211	14.5 %
BLUE GRASS ENERGY	3,240	2,939	2,861	2,138	2,147	50.9 *
CLARK ENERGY COOP	2,077	2,038	2,065	2,120	2,290	-9.3
CUMBERLAND VALLEY	2,360	2,404	2,186	2,065	1,986	18.8
FARMERS	1,749	1,499	1,588	1,660	1,597	9.5
FLEMING-MASON	1,905	1,987	2,004	1,754	1,719	10.8
GRAYSON	2,229	1,954	1,957	2,003	1,896	17.6
INTER-COUNTY	1,943	1,950	1,904	1,757	1,801	7.9
JACKSON ENERGY	2,730	2,715	2,425	2,474	2,285	19.5
LICKING VALLEY	2,224	2,121	2,126	1,980	1,858	19.7
NOLIN	3,684	3,528	3,208	3,639	3,452	6.7
OWEN	3,178	3,346	2,572	2,711	2,575	23.4 **
SALT RIVER ELECTRIC	2,282	2,187	2,190	2,443	2,244	1.7
SHELBY ENERGY	1,872	2,081	2,024	2,115	1,970	-5.0
SOUTH KENTUCKY	2,477	2,375	2,211	2,167	2,263	9.5
TAYLOR COUNTY	<u>1,598</u>	<u>1,655</u>	<u>1,518</u>	<u>1,480</u>	<u>1,462</u>	<u>9.3</u>
AVERAGE EKPC	\$2,451	\$2,374	\$2,277	\$2,251	\$2,172	12.8 %
JACKSON PURCHASE	\$2,663	\$2,632	\$2,353	\$2,082	\$2,071	28.6 %
KENERGY	2,595	2,746	2,673	2,384	2,090	24.2
MEADE COUNTY	<u>2,334</u>	<u>2,300</u>	<u>2,264</u>	<u>2,233</u>	<u>2,028</u>	<u>15.1</u>
AVERAGE BIG RIVERS	\$2,531	\$2,560	\$2,430	\$2,233	\$2,064	22.6 %
HICKMAN-FULTON	\$2,373	\$2,509	\$2,250	\$2,157	\$2,029	17.0 %
PENNYRILE	2,334	2,147	2,052	2,114	2,070	12.8
TRI-COUNTY	2,248	2,192	2,179	2,180	2,010	11.8
WARREN	3,251	3,122	3,002	2,921	2,626	23.8
WEST KENTUCKY	<u>3,246</u>	<u>2,966</u>	<u>3,115</u>	<u>2,726</u>	<u>2,684</u>	<u>20.9</u>
AVERAGE TVA	\$2,691	\$2,587	\$2,519	\$2,420	\$2,284	17.8 %
OVERALL AVERAGE	\$2,512	\$2,443	\$2,347	\$2,284	\$2,182	15.1 %

* NEW MAPPING SYSTEM INSTALLED IN 2005 - MORE ACCURATE COUNT

** NEW MAPPING SYSTEM INSTALLED IN 2006 - MORE ACCURATE COUNT

2007
KENTUCKY ELECTRIC COOPERATIVES
DENSITY CONSUMERS PER MILE
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>% CHANGE</u>	
					<u>2003</u>	<u>FROM 2003</u>
BIG SANDY	12.8	13.0	12.7	12.7	12.5	2.4 %
BLUE GRASS ENERGY	11.9	11.9	11.7	8.6	8.5	40.0 *
CLARK ENERGY COOP	8.7	8.6	8.6	8.6	8.5	2.4
CUMBERLAND VALLEY	9.1	9.1	9.1	10.1	9.9	-8.1
FARMERS	6.8	6.7	6.7	6.6	6.6	3.0
FLEMING-MASON	6.8	6.8	6.7	6.7	6.6	3.0
GRAYSON	6.4	6.4	6.3	6.3	6.2	3.2
INTER-COUNTY	6.9	7.0	7.0	7.1	7.1	-2.8
JACKSON ENERGY	9.1	9.1	9.0	9.0	9.0	1.1
LICKING VALLEY	9.0	8.0	8.0	8.0	8.3	8.4
NOLIN	10.8	10.8	10.5	10.4	10.2	5.9
OWEN	12.7	12.5	10.8	10.7	10.5	21.0 **
SALT RIVER ELECTRIC	11.7	11.7	11.5	11.4	11.2	4.5
SHELBY ENERGY	7.3	7.0	7.0	7.0	7.0	4.3
SOUTH KENTUCKY	9.5	9.5	9.4	9.4	9.4	1.1
TAYLOR COUNTY	<u>7.9</u>	<u>7.8</u>	<u>7.8</u>	<u>7.1</u>	<u>7.7</u>	<u>2.6</u>
AVERAGE EKPC	9.3	9.2	9.0	8.8	8.7	6.9 %
JACKSON PURCHASE	8.8	8.8	8.8	8.7	8.7	1.1 %
KENERGY	7.8	7.8	7.7	7.7	7.6	2.6
MEADE COUNTY	<u>9.3</u>	<u>9.2</u>	<u>9.2</u>	<u>9.1</u>	<u>9.1</u>	<u>2.2</u>
AVERAGE BIG RIVERS	8.4	8.3	8.3	8.2	8.2	2.4 %
HICKMAN-FULTON	5.5	5.5	5.5	5.5	5.5	0.0 %
PENNYRILE	9.2	9.1	9.1	9.0	8.9	3.4
TRI-COUNTY	9.2	9.1	9.2	9.1	9.1	1.1
WARREN	10.5	10.3	10.2	10.1	10.0	5.0
WEST KENTUCKY	<u>9.8</u>	<u>9.5</u>	<u>9.5</u>	<u>9.5</u>	<u>9.5</u>	<u>3.2</u>
AVERAGE TVA	9.5	9.4	9.4	9.3	9.2	3.3 %
OVERALL AVERAGE	9.2	9.1	9.0	8.8	8.7	5.7 %

* NEW MAPPING SYSTEM INSTALLED IN 2005 - MORE ACCURATE COUNT

** NEW MAPPING SYSTEM INSTALLED IN 2006 - MORE ACCURATE COUNT

**KENTUCKY ELECTRIC COOPERATIVES
OPERATING EXPENSE AND STATISTICAL COMPARISONS
2007 - 2006 ANNUAL COMPARISON**

**AVERAGE EXPENSE PER CONSUMER
EKPC**

	<u>2007</u>	<u>2006</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 60.00	\$ 57.00	\$ 3.00
DISTRIBUTION MAINTENANCE	\$ 81.00	\$ 80.00	\$ 1.00
ACCOUNTING	\$ 54.00	\$ 53.00	\$ 1.00
CONSUMER INFORMATION	\$ 11.00	\$ 10.00	\$ 1.00
ADMINISTRATION	\$ 63.00	\$ 62.00	\$ 1.00
TOTAL PER CONSUMER	\$ 269.00	\$ 262.00	\$ 7.00

**AVERAGE EXPENSE PER CONSUMER
TVA**

	<u>2007</u>	<u>2006</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 77.00	\$ 72.00	\$ 5.00
DISTRIBUTION MAINTENANCE	\$ 114.00	\$ 114.00	\$ -
ACCOUNTING	\$ 50.00	\$ 49.00	\$ 1.00
CONSUMER INFORMATION	\$ 10.00	\$ 8.00	\$ 2.00
ADMINISTRATION	\$ 63.00	\$ 66.00	\$ (3.00)
TOTAL PER CONSUMER	\$ 314.00	\$ 309.00	\$ 5.00

OTHER STATISTICAL INFORMATION

NUMBER OF EMPLOYEES	1,218	1,221	(3)
MILES OF LINE	54,931	54,397	534
CONSUMERS BILLED	508,550	502,345	6,205
MILES OF LINE PER EMPLOYEE	45.2	44.7	0.5
CONSUMER PER EMPLOYEE	418	413	5
DENSITY CONSUMERS PER MILE	9.3	9.2	0.1

OTHER STATISTICAL INFORMATION

NUMBER OF EMPLOYEES	513	507	6
MILES OF LINE	20,650	20,660	(10)
CONSUMERS BILLED	197,034	194,244	2,790
MILES OF LINE PER EMPLOYEE	40.1	40.9	(0.8)
CONSUMER PER EMPLOYEE	383	385	(2)
DENSITY CONSUMERS PER MILE	9.5	9.4	0.1

**AVERAGE EXPENSE PER CONSUMER
BIG RIVERS**

	<u>2007</u>	<u>2006</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 69.00	\$ 70.00	\$ (1.00)
DISTRIBUTION MAINTENANCE	\$ 118.00	\$ 121.00	\$ (3.00)
ACCOUNTING	\$ 45.00	\$ 44.00	\$ 1.00
CONSUMER INFORMATION	\$ 8.00	\$ 8.00	\$ -
ADMINISTRATION	\$ 55.00	\$ 58.00	\$ (3.00)
TOTAL PER CONSUMER	\$ 295.00	\$ 301.00	\$ (6.00)

**AVERAGE EXPENSE PER CONSUMER
OVERALL AVERAGE**

	<u>2007</u>	<u>2006</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 65.00	\$ 62.00	\$ 3.00
DISTRIBUTION MAINTENANCE	\$ 92.00	\$ 92.00	\$ -
ACCOUNTING	\$ 52.00	\$ 51.00	\$ 1.00
CONSUMER INFORMATION	\$ 10.00	\$ 9.00	\$ 1.00
ADMINISTRATION	\$ 62.00	\$ 62.00	\$ -
TOTAL PER CONSUMER	\$ 281.00	\$ 276.00	\$ 5.00

OTHER STATISTICAL INFORMATION

NUMBER OF EMPLOYEES	301	301	0
MILES OF LINE	13,204	13,125	79
CONSUMERS BILLED	110,584	109,329	1,255
MILES OF LINE PER EMPLOYEE	44.0	43.8	0.2
CONSUMER PER EMPLOYEE	369	364	5
DENSITY CONSUMERS PER MILE	8.4	8.3	0.1

OTHER STATISTICAL INFORMATION

NUMBER OF EMPLOYEES	2,032	2,029	3
MILES OF LINE	88,785	88,182	603
CONSUMERS BILLED	816,168	805,918	10,250
MILES OF LINE PER EMPLOYEE	43.5	43.2	0.3
CONSUMER PER EMPLOYEE	400	395	5
DENSITY CONSUMERS PER MILE	9.2	9.1	0.1

2007
KENTUCKY ELECTRIC COOPERATIVES
MILES OF LINE
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>% CHANGE FROM 2003</u>
BIG SANDY	1,022	1,016	1,012	1,003	1,001	2.1 %
BLUE GRASS ENERGY	4,535	4,487	4,440	5,912	5,847	-22.4 *
CLARK ENERGY COOP	2,982	2,966	2,935	2,900	2,865	4.1
CUMBERLAND VALLEY	2,577	2,559	2,529	2,503	2,479	4.0
FARMERS	3,513	3,481	3,447	3,416	3,382	3.9
FLEMING-MASON	3,483	3,456	3,421	3,386	3,346	4.1
GRAYSON	2,454	2,437	2,416	2,400	2,377	3.2
INTER-COUNTY	3,630	3,572	3,502	3,409	3,324	9.2
JACKSON ENERGY	5,652	5,621	5,597	5,552	5,486	3.0
LICKING VALLEY	2,020	2,014	2,006	2,002	1,991	1.5
NOLIN	2,917	2,841	2,841	2,802	2,763	5.6
OWEN	4,428	4,400	4,940	4,836	4,771	-7.2 **
SALT RIVER ELECTRIC	3,903	3,847	3,750	3,649	3,572	9.3
SHELBY ENERGY	2,065	2,025	2,008	1,978	1,952	5.8
SOUTH KENTUCKY	6,600	6,540	6,475	6,408	6,321	4.4
TAYLOR COUNTY	<u>3,150</u>	<u>3,135</u>	<u>3,094</u>	<u>3,067</u>	<u>3,038</u>	<u>3.7</u>
TOTAL EKPC	54,931	54,397	54,413	55,223	54,515	0.8 %
JACKSON PURCHASE	3,271	3,244	3,213	3,180	3,142	4.1 %
KENERGY	6,974	6,944	6,915	6,859	6,801	2.5
MEADE COUNTY	<u>2,959</u>	<u>2,937</u>	<u>2,893</u>	<u>2,866</u>	<u>2,821</u>	<u>4.9</u>
TOTAL BIG RIVERS	13,204	13,125	13,021	12,905	12,764	3.4 %
HICKMAN-FULTON	688	685	683	682	685	0.4 %
PENNYRILE	5,047	5,022	4,997	4,986	4,977	1.4
TRI-COUNTY	5,450	5,427	5,388	5,358	5,331	2.2
WARREN	5,584	5,556	5,504	5,449	5,418	3.1
WEST KENTUCKY	<u>3,881</u>	<u>3,970</u>	<u>3,940</u>	<u>3,908</u>	<u>3,878</u>	<u>0.1</u>
TOTAL TVA	20,650	20,660	20,512	20,383	20,289	1.8 %
OVERALL TOTAL	88,785	88,182	87,946	88,511	87,568	1.4 %

* NEW MAPPING SYSTEM INSTALLED IN 2005 - MORE ACCURATE COUNT

** NEW MAPPING SYSTEM INSTALLED IN 2006 - MORE ACCURATE COUNT

2007
KENTUCKY ELECTRIC COOPERATIVES
TOTAL AVERAGE NUMBER OF CONSUMERS BILLED
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>% CHANGE FROM 2003</u>
BIG SANDY	13,138	13,089	12,888	12,705	12,509	5.0 %
BLUE GRASS ENERGY	54,021	53,175	52,068	50,774	49,421	9.3
CLARK ENERGY COOP	25,801	25,508	25,151	24,796	24,376	5.8
CUMBERLAND VALLEY	23,487	23,303	23,029	25,224	24,499	-4.1
FARMERS	23,729	23,377	23,013	22,680	22,238	6.7
FLEMING-MASON	23,687	23,364	22,993	22,580	22,122	7.1
GRAYSON	15,631	15,517	15,302	15,113	14,827	5.4
INTER-COUNTY	25,185	24,869	24,501	24,059	23,672	6.4
JACKSON ENERGY	51,244	50,884	50,438	49,926	49,336	3.9
LICKING VALLEY	17,272	17,085	16,921	16,794	16,597	4.1
NOLIN	31,422	30,649	29,780	29,050	28,301	11.0
OWEN	56,290	55,141	53,598	51,811	49,940	12.7
SALT RIVER ELECTRIC	45,453	44,979	42,997	41,458	39,876	14.0
SHELBY ENERGY	14,990	15,053	14,725	14,087	13,728	9.2
SOUTH KENTUCKY	62,408	61,869	60,922	60,128	59,081	5.6
TAYLOR COUNTY	<u>24,792</u>	<u>24,483</u>	<u>24,089</u>	<u>23,646</u>	<u>23,231</u>	<u>6.7</u>
TOTAL EKPC	508,550	502,345	492,415	484,831	473,754	7.3 %
JACKSON PURCHASE	28,747	28,461	28,105	27,704	27,343	5.1 %
KENERGY	54,337	53,860	53,264	52,592	51,869	4.8
MEADE COUNTY	<u>27,500</u>	<u>27,008</u>	<u>26,515</u>	<u>26,118</u>	<u>25,553</u>	<u>7.6</u>
TOTAL BIG RIVERS	110,584	109,329	107,884	106,414	104,765	5.6 %
HICKMAN-FULTON	3,770	3,736	3,739	3,752	3,766	0.1 %
PENNYRILE	46,393	45,877	45,367	44,653	44,028	5.4
TRI-COUNTY	50,223	49,561	49,308	48,867	48,483	3.6
WARREN	58,591	57,431	56,187	55,079	54,073	8.4
WEST KENTUCKY	<u>38,057</u>	<u>37,639</u>	<u>37,305</u>	<u>36,993</u>	<u>36,655</u>	<u>3.8</u>
TOTAL TVA	197,034	194,244	191,906	189,344	187,005	5.4 %
OVERALL TOTAL	816,168	805,918	792,205	780,589	765,524	6.6 %

2007
KENTUCKY ELECTRIC COOPERATIVES
TOTAL RESIDENTIAL REVENUES
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>% CHANGE FROM 2003</u>
BIG SANDY	\$15,853,498	\$14,192,128	\$13,672,178	11,398,809	10,605,561	49.5 %
BLUE GRASS ENERGY	68,578,375	61,513,915	59,969,633	49,545,080	45,288,666	51.4
CLARK ENERGY COOP	29,717,098	27,327,922	26,203,306	22,143,145	20,514,937	44.9
CUMBERLAND VALLEY	27,983,567	24,948,723	22,940,517	19,173,225	18,027,748	55.2
FARMERS	26,450,827	23,743,770	22,712,747	19,208,242	17,815,396	48.5
FLEMING-MASON	23,419,768	20,907,145	20,393,262	18,430,538	15,570,174	50.4
GRAYSON	18,131,615	16,223,795	16,244,690	13,861,532	13,068,736	38.7
INTER-COUNTY	33,391,723	28,203,005	27,321,723	24,142,722	22,880,567	45.9
JACKSON ENERGY	66,382,819	60,198,185	61,806,841	51,653,862	48,569,903	36.7
LICKING VALLEY	18,876,065	18,373,586	16,742,467	14,263,281	13,170,886	43.3
NOLIN	39,672,514	33,591,739	34,383,316	28,076,279	25,415,952	56.1
OWEN	66,458,715	58,817,668	55,724,664	47,113,587	42,680,828	55.7
SALT RIVER ELECTRIC	57,330,349	49,796,107	48,015,562	39,732,157	36,031,040	59.1
SHELBY ENERGY	19,684,110	17,784,401	17,533,652	14,268,131	13,127,239	49.9
SOUTH KENTUCKY	67,646,098	59,324,021	55,802,486	48,838,870	44,138,209	53.3
TAYLOR COUNTY	<u>25,472,592</u>	<u>22,725,012</u>	<u>22,031,517</u>	<u>19,056,126</u>	<u>18,004,463</u>	<u>41.5</u>
TOTAL EKPC	\$605,049,733	\$537,671,122	\$521,498,561	440,905,586	404,910,305	49.4 %
JACKSON PURCHASE	\$25,697,996	\$23,847,988	\$24,496,967	22,841,472	22,574,806	13.8 %
KENERGY	50,041,715	43,955,864	45,323,132	42,207,989	41,020,077	22.0
MEADE COUNTY	<u>21,982,113</u>	<u>20,297,372</u>	<u>20,436,215</u>	<u>18,944,590</u>	<u>18,213,337</u>	<u>20.7</u>
TOTAL BIG RIVERS	\$97,721,824	\$88,101,224	\$90,256,314	83,994,051	81,808,220	19.5 %
HICKMAN-FULTON	\$4,576,311	\$4,311,951	\$4,190,389	4,000,868	3,805,948	20.2 %
PENNYRILE	51,817,219	48,880,787	44,135,641	41,000,292	38,718,311	33.8
TRI-COUNTY	54,981,186	52,780,772	47,841,610	44,800,930	42,833,960	28.4
WARREN	69,955,053	64,825,495	60,315,980	55,933,218	52,358,896	33.6
WEST KENTUCKY	<u>45,691,877</u>	<u>41,190,556</u>	<u>38,609,978</u>	<u>35,207,258</u>	<u>34,117,587</u>	<u>33.9</u>
TOTAL TVA	\$227,021,646	\$211,989,561	\$195,093,598	180,942,566	171,834,702	32.1 %
OVERALL TOTAL	\$929,793,203	\$837,761,907	\$806,848,473	705,842,203	658,553,227	41.2 %

**KENTUCKY ELECTRIC COOPERATIVES
OPERATING EXPENSE STATISTICAL COMPARISONS
AVERAGE ANNUAL BASIS**

COOPERATIVE NAME	DISTRIBUTION	DISTRIBUTION	TOTAL	CONSUMER	CONSUMER	ADM. & GEN.	TOTAL	NUMBER	MILES	NUMBER OF	MILES OF	CONSUMERS	DENSITY
	OPERATION	MAINTENANCE	OP. & MAINT.	ACCOUNTING	INFORMATION	EXPENSE	EXPENSE	OF	OF	CONSUMERS	LINE PER	PER	CONSUMERS
	PER CONSUMER	PER CONSUMER	PER CONSUMER	PER CONSUMER	PER CONSUMER	PER CONSUMER	PER CONSUMER	EMPLOYEES	LINE	BILLED	EMPLOYEE	EMPLOYEE	PER MILE
BIG SANDY RECC	45	83	128	50	7	101	286	44	1,022	13,138	23.2	298	12.8
BLUE GRASS ENERGY COOP	51	81	132	44	19	77	272	114	4,535	54,021	39.8	474	11.9
CLARK ENERGY COOP	57	73	130	52	7	51	240	51	2,982	25,801	58.5	506	8.7
CUMBERLAND VALLEY ELECTRIC	48	88	136	65	7	51	259	56	2,577	23,487	46.0	419	9.1
FARMERS RECC	35	95	130	49	12	68	259	68	3,513	23,729	52.0	349	6.8
FLEMING-MASON ENERGY	55	96	151	67	7	55	280	52	3,483	23,687	67.0	456	6.8
GRAYSON RECC	65	130	195	56	14	85	350	44	2,454	15,631	55.8	355	6.4
INTER-COUNTY ENERGY	73	55	128	65	19	68	280	62	3,630	25,185	58.6	406	6.9
JACKSON ENERGY COOP	71	88	159	63	9	70	301	130	5,652	51,244	43.5	394	9.1
LICKING VALLEY RECC	74	82	156	43	7	54	260	45	2,020	17,272	45.0	384	9.0
NOLIN RECC	88	97	185	59	20	78	342	92	2,917	31,422	31.7	342	10.8
OWEN EC	70	57	127	62	7	54	250	138	4,428	56,290	32.1	408	12.7
SALT RIVER ELECTRIC	45	45	90	44	8	54	196	75	3,903	45,453	52.0	606	11.7
SHELBY ENERGY COOP	76	78	154	51	9	44	258	31	2,065	14,990	66.6	484	7.3
SOUTH KENTUCKY RECC	52	88	140	55	12	55	262	157	6,600	62,408	42.0	398	9.5
TAYLOR COUNTY RECC	56	56	112	39	5	47	203	59	3,150	24,792	53.4	420	7.9
EKPC GROUP AVERAGE	60	81	141	54	11	63	269	76	3,433	31,784	45.2	418	9.3
JACKSON PURCHASE ENERGY	66	118	184	39	10	70	303	79	3,271	28,747	41.4	364	8.8
KENERGY CORP	72	150	222	52	6	53	333	156	6,974	54,337	44.7	348	7.8
MEADE COUNTY RECC	68	87	155	44	9	43	251	66	2,959	27,500	45.0	417	9.3
BIG RIVERS GROUP AVERAGE	69	118	187	45	8	55	295	100	4,401	36,861	44.0	369	8.4
HICKMAN-FULTON COUNTIES RECC	87	204	291	44	9	89	433	16	688	3,770	43.0	236	5.5
PENNYRILE RECC	75	70	145	43	9	57	254	123	5,047	46,393	41.0	377	9.2
TRI-COUNTY EMC	81	64	145	49	11	39	244	139	5,450	50,223	39.2	361	9.2
WARREN RECC	74	84	158	53	15	64	310	151	5,584	58,591	37.0	388	10.5
WEST KENTUCKY RECC	69	149	218	62	6	45	331	84	3,881	38,057	46.2	453	9.8
TVA GROUP AVERAGE	77	114	191	50	10	63	314	103	4,130	39,407	40.1	383	9.5
OVERALL AVERAGE	65	92	157	52	10	62	281	85	3,699	34,007	43.5	400	9.2

2007
KENTUCKY ELECTRIC COOPERATIVES
OPERATING EXPENSE STATISTICAL COMPARISONS
AVERAGE ANNUAL BASIS

COOPERATIVE NAME	DISTRIBUTION OPERATION PER MILE	DISTRIBUTION MAINTENANCE PER MILE	TOTAL OP. & MAINT. PER MILE	CONSUMER ACCOUNTING PER MILE	CONSUMER INFORMATION PER MILE	ADM. & GEN. EXPENSE PER MILE	TOTAL EXPENSE PER MILE	NUMBER OF EMPLOYEES	MILES OF LINE	RESIDENTIAL CONSUMERS BILLED	TOTAL RESIDENTIAL REVENUES	AVERAGE MONTHLY RES'L REV
BIG SANDY RECC	578	1,067	1,645	643	90	1,298	3,676	44	1,022	12,019	15,853,498	109.9
BLUE GRASS ENERGY COOP	608	965	1,573	524	226	917	3,240	114	4,535	51,794	68,578,375	110.3
CLARK ENERGY COOP	493	632	1,125	450	61	441	2,077	51	2,982	24,152	29,717,098	102.5
CUMBERLAND VALLEY ELECTRIC	437	802	1,239	592	64	465	2,360	56	2,577	22,021	27,983,567	105.9
FARMERS RECC	236	642	878	331	81	459	1,749	68	3,513	22,045	26,450,827	100.0
FLEMING-MASON ENERGY	374	653	1,027	456	48	374	1,905	52	3,483	17,627	23,419,768	110.7
GRAYSON RECC	414	828	1,242	357	89	541	2,229	44	2,454	14,342	18,131,615	105.4
INTER-COUNTY ENERGY	506	382	888	451	132	472	1,943	62	3,630	23,892	33,391,723	116.5
JACKSON ENERGY COOP	644	798	1,442	571	82	635	2,730	130	5,652	47,615	66,382,819	116.2
LICKING VALLEY RECC	633	701	1,334	368	60	462	2,224	45	2,020	16,125	18,876,065	97.6
NOLIN RECC	948	1,045	1,993	636	215	840	3,684	92	2,917	28,324	39,672,514	116.7
OWEN EC	890	725	1,615	788	89	686	3,178	138	4,428	54,003	66,458,715	102.6
SALT RIVER ELECTRIC	524	524	1,048	512	93	629	2,282	75	3,903	42,663	57,330,349	112.0
SHELBY ENERGY COOP	552	566	1,118	370	65	319	1,872	31	2,065	14,424	19,684,110	113.7
SOUTH KENTUCKY RECC	492	832	1,324	520	113	520	2,477	157	6,600	57,508	67,646,098	98.0
TAYLOR COUNTY RECC	441	441	882	307	39	370	1,598	59	3,150	22,031	25,472,592	96.4
EKPC GROUP AVERAGE	548	725	1,273	492	97	589	2,451	76	3,433	29,412	37,815,608	107.1
JACKSON PURCHASE ENERGY	580	1,037	1,617	343	88	615	2,663	79	3,271	25,782	25,697,996	83.1
KENERGY CORP	561	1,169	1,730	405	47	413	2,595	156	6,974	44,758	50,041,715	93.2
MEADE COUNTY RECC	632	809	1,441	409	84	400	2,334	66	2,959	25,453	21,982,113	72.0
BIG RIVERS GROUP AVERAGE	591	1,005	1,596	386	73	476	2,531	100	4,401	31,998	32,573,941	84.8
HICKMAN-FULTON COUNTIES RECC	477	1,118	1,595	241	49	488	2,373	16	688	2,954	4,576,311	129.1
PENNYRILE RECC	689	643	1,332	395	83	524	2,334	123	5,047	37,057	51,817,219	116.5
TRI-COUNTY EMC	746	590	1,336	452	101	359	2,248	139	5,450	40,763	54,981,186	112.4
WARREN RECC	776	881	1,657	556	157	881	3,251	151	5,584	48,774	69,955,053	119.5
WEST KENTUCKY RECC	677	1,461	2,138	608	59	441	3,246	84	3,881	30,694	45,691,877	124.1
TVA GROUP AVERAGE	673	939	1,612	450	90	539	2,691	103	4,130	32,048	45,404,329	118.1
OVERALL AVERAGE	580	805	1,385	470	92	565	2,512	85	3,699	30,284	38,741,383	106.6

2008
KENTUCKY ELECTRIC COOPERATIVES
AVERAGE EXPENSE PER CONSUMER
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>% CHANGE FROM 2004</u>
BIG SANDY	\$291	\$286	\$250	\$282	\$277	5.1 %
BLUE GRASS ENERGY	291	272	248	244	249	16.9
CLARK ENERGY COOP	253	240	237	241	248	2.0
CUMBERLAND VALLEY	267	259	264	240	205	30.2
FARMERS	262	259	223	238	250	4.8
FLEMING-MASON	291	280	294	298	263	10.6
GRAYSON	373	350	307	309	318	17.3
INTER-COUNTY	300	280	280	272	249	20.5
JACKSON ENERGY	311	301	300	269	275	13.1
LICKING VALLEY	270	260	250	252	236	14.4
NOLIN	349	342	327	306	351	-0.6
OWEN	266	250	267	237	253	5.1
SALT RIVER ELECTRIC	228	196	187	191	215	6.0
SHELBY ENERGY	295	258	280	276	297	-0.7
SOUTH KENTUCKY	264	262	251	235	231	14.3
TAYLOR COUNTY	<u>215</u>	<u>203</u>	<u>212</u>	<u>195</u>	<u>192</u>	<u>12.0</u>
AVERAGE EKPC	\$284	\$269	\$262	\$255	\$256	10.9 %
JACKSON PURCHASE	\$338	\$303	\$300	\$269	\$239	41.4 %
KENERGY	363	333	354	347	311	16.7
MEADE COUNTY	<u>267</u>	<u>251</u>	<u>250</u>	<u>247</u>	<u>245</u>	<u>9.0</u>
AVERAGE BIG RIVERS	\$323	\$295	\$301	\$288	\$265	21.9 %
HICKMAN-FULTON	\$525	\$433	\$460	\$411	\$392	33.9 %
PENNYRILE	274	254	235	226	236	16.1
TRI-COUNTY	258	244	240	238	239	7.9
WARREN	331	310	302	294	289	14.5
WEST KENTUCKY	<u>384</u>	<u>331</u>	<u>313</u>	<u>329</u>	<u>288</u>	<u>33.3</u>
AVERAGE TVA	\$355	\$314	\$309	\$300	\$289	22.8 %
OVERALL AVERAGE	\$303	\$281	\$276	\$270	\$264	14.8 %

2008
KENTUCKY ELECTRIC COOPERATIVES
AVERAGE EXPENSE PER MILE OF LINE
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>% CHANGE FROM 2004</u>
BIG SANDY	\$3,744	\$3,676	\$3,221	\$3,590	\$3,508	6.7 %
BLUE GRASS ENERGY	3,486	3,240	2,939	2,861	2,138	63.0 *
CLARK ENERGY COOP	2,182	2,077	2,038	2,065	2,120	2.9
CUMBERLAND VALLEY	2,442	2,360	2,404	2,186	2,065	18.3
FARMERS	1,793	1,749	1,499	1,588	1,660	8.0
FLEMING-MASON	1,976	1,905	1,987	2,004	1,754	12.7
GRAYSON	2,379	2,229	1,954	1,957	2,003	18.8
INTER-COUNTY	2,061	1,943	1,950	1,904	1,757	17.3
JACKSON ENERGY	2,837	2,730	2,715	2,425	2,474	14.7
LICKING VALLEY	2,330	2,224	2,121	2,126	1,980	17.7
NOLIN	3,786	3,684	3,528	3,208	3,639	4.0
OWEN	3,394	3,178	3,346	2,572	2,711	25.2 **
SALT RIVER ELECTRIC	2,658	2,282	2,187	2,190	2,443	8.8
SHELBY ENERGY	2,157	1,872	2,081	2,024	2,115	2.0
SOUTH KENTUCKY	2,618	2,477	2,375	2,211	2,167	20.8
TAYLOR COUNTY	<u>1,703</u>	<u>1,598</u>	<u>1,655</u>	<u>1,518</u>	<u>1,480</u>	<u>15.1</u>
AVERAGE EKPC	\$2,596	\$2,451	\$2,374	\$2,277	\$2,251	15.3 %
JACKSON PURCHASE	\$3,403	\$2,663	\$2,632	\$2,353	\$2,082	63.4 %
KENERGY	2,839	2,595	2,746	2,673	2,384	19.1
MEADE COUNTY	<u>2,503</u>	<u>2,334</u>	<u>2,300</u>	<u>2,264</u>	<u>2,233</u>	<u>12.1</u>
AVERAGE BIG RIVERS	\$2,915	\$2,531	\$2,560	\$2,430	\$2,233	30.5 %
HICKMAN-FULTON	\$2,882	\$2,373	\$2,509	\$2,250	\$2,157	33.6 %
PENNYRILE	2,505	2,334	2,147	2,052	2,114	18.5
TRI-COUNTY	2,375	2,248	2,192	2,179	2,180	8.9
WARREN	3,496	3,251	3,122	3,002	2,921	19.7
WEST KENTUCKY	<u>3,649</u>	<u>3,246</u>	<u>2,966</u>	<u>3,115</u>	<u>2,726</u>	<u>33.9</u>
AVERAGE TVA	\$2,982	\$2,691	\$2,587	\$2,519	\$2,420	23.2 %
OVERALL AVERAGE	\$2,716	\$2,512	\$2,443	\$2,347	\$2,284	18.9 %

* NEW MAPPING SYSTEM INSTALLED IN 2005 - MORE ACCURATE COUNT

** NEW MAPPING SYSTEM INSTALLED IN 2006 - MORE ACCURATE COUNT

2008
KENTUCKY ELECTRIC COOPERATIVES
DENSITY CONSUMERS PER MILE
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>% CHANGE FROM 2004</u>
BIG SANDY	12.8	12.8	13.0	12.7	12.7	0.8 %
BLUE GRASS ENERGY	12.0	11.9	11.9	11.7	8.6	39.5 *
CLARK ENERGY COOP	8.6	8.7	8.6	8.6	8.6	0.0
CUMBERLAND VALLEY	9.1	9.1	9.1	9.1	10.1	-9.9
FARMERS	6.8	6.8	6.7	6.7	6.6	3.0
FLEMING-MASON	6.8	6.8	6.8	6.7	6.7	1.5
GRAYSON	6.4	6.4	6.4	6.3	6.3	1.6
INTER-COUNTY	6.9	6.9	7.0	7.0	7.1	-2.8
JACKSON ENERGY	9.1	9.1	9.1	9.0	9.0	1.1
LICKING VALLEY	8.6	9.0	8.0	8.0	8.0	7.5
NOLIN	10.9	10.8	10.8	10.5	10.4	4.8
OWEN	12.8	12.7	12.5	10.8	10.7	19.6 **
SALT RIVER ELECTRIC	11.7	11.7	11.7	11.5	11.4	2.6
SHELBY ENERGY	7.3	7.3	7.0	7.0	7.0	4.3
SOUTH KENTUCKY	9.9	9.5	9.5	9.4	9.4	5.3
TAYLOR COUNTY	<u>7.9</u>	<u>7.9</u>	<u>7.8</u>	<u>7.8</u>	<u>7.1</u>	<u>11.3</u>
AVERAGE EKPC	9.3	9.3	9.2	9.0	8.8	5.7 %
JACKSON PURCHASE	10.1	8.8	8.8	8.8	8.7	16.1 %
KENERGY	7.8	7.8	7.8	7.7	7.7	1.3
MEADE COUNTY	<u>9.4</u>	<u>9.3</u>	<u>9.2</u>	<u>9.2</u>	<u>9.1</u>	<u>3.3</u>
AVERAGE BIG RIVERS	8.7	8.4	8.3	8.3	8.2	6.1 %
HICKMAN-FULTON	5.5	5.5	5.5	5.5	5.5	0.0 %
PENNYRILE	9.2	9.2	9.1	9.1	9.0	2.2
TRI-COUNTY	9.2	9.2	9.1	9.2	9.1	1.1
WARREN	10.6	10.5	10.3	10.2	10.1	5.0
WEST KENTUCKY	<u>9.5</u>	<u>9.8</u>	<u>9.5</u>	<u>9.5</u>	<u>9.5</u>	<u>0.0</u>
AVERAGE TVA	9.5	9.5	9.4	9.4	9.3	2.2 %
OVERALL AVERAGE	9.3	9.2	9.1	9.0	8.8	5.7 %

* NEW MAPPING SYSTEM INSTALLED IN 2005 - MORE ACCURATE COUNT

** NEW MAPPING SYSTEM INSTALLED IN 2006 - MORE ACCURATE COUNT

**KENTUCKY ELECTRIC COOPERATIVES
OPERATING EXPENSE AND STATISTICAL COMPARISONS
2008 - 2007 ANNUAL COMPARISON**

**AVERAGE EXPENSE PER CONSUMER
EKPC**

	<u>2008</u>	<u>2007</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 66.00	\$ 60.00	\$ 6.00
DISTRIBUTION MAINTENANCE	\$ 87.00	\$ 81.00	\$ 6.00
ACCOUNTING	\$ 54.00	\$ 54.00	\$ -
CONSUMER INFORMATION	\$ 11.00	\$ 11.00	\$ -
ADMINISTRATION	\$ 66.00	\$ 63.00	\$ 3.00
TOTAL PER CONSUMER	\$ 284.00	\$ 269.00	\$ 15.00

**AVERAGE EXPENSE PER CONSUMER
TVA**

	<u>2008</u>	<u>2007</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 85.00	\$ 77.00	\$ 8.00
DISTRIBUTION MAINTENANCE	\$ 135.00	\$ 114.00	\$ 21.00
ACCOUNTING	\$ 54.00	\$ 50.00	\$ 4.00
CONSUMER INFORMATION	\$ 9.00	\$ 10.00	\$ (1.00)
ADMINISTRATION	\$ 72.00	\$ 63.00	\$ 9.00
TOTAL PER CONSUMER	\$ 355.00	\$ 314.00	\$ 41.00

OTHER STATISTICAL INFORMATION

NUMBER OF EMPLOYEES	1,236	1,218	18
MILES OF LINE	55,358	54,931	427
CONSUMERS BILLED	517,103	508,550	8,553
MILES OF LINE PER EMPLOYEE	44.9	45.2	(0.3)
CONSUMER PER EMPLOYEE	420	418	2
DENSITY CONSUMERS PER MILE	9.3	9.3	0.0

OTHER STATISTICAL INFORMATION

NUMBER OF EMPLOYEES	517	513	4
MILES OF LINE	20,879	20,650	229
CONSUMERS BILLED	198,172	197,034	1,138
MILES OF LINE PER EMPLOYEE	40.5	40.1	0.4
CONSUMER PER EMPLOYEE	385	383	2
DENSITY CONSUMERS PER MILE	9.5	9.5	0.0

**AVERAGE EXPENSE PER CONSUMER
BIG RIVERS**

	<u>2008</u>	<u>2007</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 76.00	\$ 69.00	\$ 7.00
DISTRIBUTION MAINTENANCE	\$ 135.00	\$ 118.00	\$ 17.00
ACCOUNTING	\$ 47.00	\$ 45.00	\$ 2.00
CONSUMER INFORMATION	\$ 8.00	\$ 8.00	\$ -
ADMINISTRATION	\$ 57.00	\$ 55.00	\$ 2.00
TOTAL PER CONSUMER	\$ 323.00	\$ 295.00	\$ 28.00

**AVERAGE EXPENSE PER CONSUMER
OVERALL AVERAGE**

	<u>2008</u>	<u>2007</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 71.00	\$ 65.00	\$ 6.00
DISTRIBUTION MAINTENANCE	\$ 103.00	\$ 92.00	\$ 11.00
ACCOUNTING	\$ 53.00	\$ 52.00	\$ 1.00
CONSUMER INFORMATION	\$ 10.00	\$ 10.00	\$ -
ADMINISTRATION	\$ 66.00	\$ 62.00	\$ 4.00
TOTAL PER CONSUMER	\$ 303.00	\$ 281.00	\$ 22.00

OTHER STATISTICAL INFORMATION

NUMBER OF EMPLOYEES	296	301	(5)
MILES OF LINE	12,860	13,204	(344)
CONSUMERS BILLED	111,694	110,584	1,110
MILES OF LINE PER EMPLOYEE	43.3	44.0	(0.7)
CONSUMER PER EMPLOYEE	376	369	7
DENSITY CONSUMERS PER MILE	8.7	8.4	0.3

OTHER STATISTICAL INFORMATION

NUMBER OF EMPLOYEES	2,049	2,032	17
MILES OF LINE	89,097	88,785	312
CONSUMERS BILLED	826,969	816,168	10,801
MILES OF LINE PER EMPLOYEE	43.7	43.5	0.2
CONSUMER PER EMPLOYEE	405	400	5
DENSITY CONSUMERS PER MILE	9.3	9.2	0.1

2008
KENTUCKY ELECTRIC COOPERATIVES
MILES OF LINE
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>% CHANGE FROM 2004</u>
BIG SANDY	1,027	1,022	1,016	1,012	1,003	2.4 %
BLUE GRASS ENERGY	4,566	4,535	4,487	4,440	5,912	-22.8 *
CLARK ENERGY COOP	3,014	2,982	2,966	2,935	2,900	3.9
CUMBERLAND VALLEY	2,592	2,577	2,559	2,529	2,503	3.6
FARMERS	3,539	3,513	3,481	3,447	3,416	3.6
FLEMING-MASON	3,506	3,483	3,456	3,421	3,386	3.5
GRAYSON	2,466	2,454	2,437	2,416	2,400	2.8
INTER-COUNTY	3,687	3,630	3,572	3,502	3,409	8.2
JACKSON ENERGY	5,663	5,652	5,621	5,597	5,552	2.0
LICKING VALLEY	2,023	2,020	2,014	2,006	2,002	1.0
NOLIN	2,939	2,917	2,841	2,841	2,802	4.9
OWEN	4,451	4,428	4,400	4,940	4,836	-8.0 **
SALT RIVER ELECTRIC	3,953	3,903	3,847	3,750	3,649	8.3
SHELBY ENERGY	2,078	2,065	2,025	2,008	1,978	5.1
SOUTH KENTUCKY	6,685	6,600	6,540	6,475	6,408	4.3
TAYLOR COUNTY	<u>3,169</u>	<u>3,150</u>	<u>3,135</u>	<u>3,094</u>	<u>3,067</u>	<u>3.3</u>
TOTAL EKPC	55,358	54,931	54,397	54,413	55,223	0.2 %
JACKSON PURCHASE	2,891	3,271	3,244	3,213	3,180	-9.1 %
KENERGY	6,997	6,974	6,944	6,915	6,859	2.0
MEADE COUNTY	<u>2,972</u>	<u>2,959</u>	<u>2,937</u>	<u>2,893</u>	<u>2,866</u>	<u>3.7</u>
TOTAL BIG RIVERS	12,860	13,204	13,125	13,021	12,905	-0.3 %
HICKMAN-FULTON	689	688	685	683	682	1.0 %
PENNYRILE	5,075	5,047	5,022	4,997	4,986	1.8
TRI-COUNTY	5,467	5,450	5,427	5,388	5,358	2.0
WARREN	5,615	5,584	5,556	5,504	5,449	3.0
WEST KENTUCKY	<u>4,033</u>	<u>3,881</u>	<u>3,970</u>	<u>3,940</u>	<u>3,908</u>	<u>3.2</u>
TOTAL TVA	20,879	20,650	20,660	20,512	20,383	2.4 %
OVERALL TOTAL	89,097	88,785	88,182	87,946	88,511	0.7 %

* NEW MAPPING SYSTEM INSTALLED IN 2005 - MORE ACCURATE COUNT

** NEW MAPPING SYSTEM INSTALLED IN 2006 - MORE ACCURATE COUNT

2008
KENTUCKY ELECTRIC COOPERATIVES
TOTAL AVERAGE NUMBER OF CONSUMERS BILLED
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>% CHANGE FROM 2004</u>
BIG SANDY	13,211	13,138	13,089	12,888	12,705	4.0 %
BLUE GRASS ENERGY	54,694	54,021	53,175	52,068	50,774	7.7
CLARK ENERGY COOP	26,006	25,801	25,508	25,151	24,796	4.9
CUMBERLAND VALLEY	23,695	23,487	23,303	23,029	25,224	-6.1
FARMERS	24,226	23,729	23,377	23,013	22,680	6.8
FLEMING-MASON	23,804	23,687	23,364	22,993	22,580	5.4
GRAYSON	15,722	15,631	15,517	15,302	15,113	4.0
INTER-COUNTY	25,353	25,185	24,869	24,501	24,059	5.4
JACKSON ENERGY	51,644	51,244	50,884	50,438	49,926	3.4
LICKING VALLEY	17,453	17,272	17,085	16,921	16,794	3.9
NOLIN	31,885	31,422	30,649	29,780	29,050	9.8
OWEN	56,794	56,290	55,141	53,598	51,811	9.6
SALT RIVER ELECTRIC	46,071	45,453	44,979	42,997	41,458	11.1
SHELBY ENERGY	15,191	14,990	15,053	14,725	14,087	7.8
SOUTH KENTUCKY	66,276	62,408	61,869	60,922	60,128	10.2
TAYLOR COUNTY	<u>25,078</u>	<u>24,792</u>	<u>24,483</u>	<u>24,089</u>	<u>23,646</u>	<u>6.1</u>
TOTAL EKPC	517,103	508,550	502,345	492,415	484,831	6.7 %
JACKSON PURCHASE	29,092	28,747	28,461	28,105	27,704	5.0 %
KENERGY	54,736	54,337	53,860	53,264	52,592	4.1
MEADE COUNTY	<u>27,866</u>	<u>27,500</u>	<u>27,008</u>	<u>26,515</u>	<u>26,118</u>	<u>6.7</u>
TOTAL BIG RIVERS	111,694	110,584	109,329	107,884	106,414	5.0 %
HICKMAN-FULTON	3,782	3,770	3,736	3,739	3,752	0.8 %
PENNYRILE	46,419	46,393	45,877	45,367	44,653	4.0
TRI-COUNTY	50,331	50,223	49,561	49,308	48,867	3.0
WARREN	59,317	58,591	57,431	56,187	55,079	7.7
WEST KENTUCKY	<u>38,323</u>	<u>38,057</u>	<u>37,639</u>	<u>37,305</u>	<u>36,993</u>	<u>3.6</u>
TOTAL TVA	198,172	197,034	194,244	191,906	189,344	4.7 %
OVERALL TOTAL	826,969	816,168	805,918	792,205	780,589	5.9 %

2008
KENTUCKY ELECTRIC COOPERATIVES
TOTAL RESIDENTIAL REVENUES
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>% CHANGE FROM 2004</u>
BIG SANDY	\$16,830,290	\$15,853,498	\$14,192,128	\$13,672,178	\$11,398,809	47.6 %
BLUE GRASS ENERGY	75,708,257	68,578,375	61,513,915	59,969,633	49,545,080	52.8
CLARK ENERGY COOP	31,325,955	29,717,098	27,327,922	26,203,306	22,143,145	41.5
CUMBERLAND VALLEY	29,511,472	27,983,567	24,948,723	22,940,517	19,173,225	53.9
FARMERS	27,656,329	26,450,827	23,743,770	22,712,747	19,208,242	44.0
FLEMING-MASON	27,400,745	23,419,768	20,907,145	20,393,262	18,430,538	48.7
GRAYSON	19,326,239	18,131,615	16,223,795	16,244,690	13,861,532	39.4
INTER-COUNTY	35,150,797	33,391,723	28,203,005	27,321,723	24,142,722	45.6
JACKSON ENERGY	76,960,445	66,382,819	60,198,185	61,806,841	51,653,862	49.0
LICKING VALLEY	19,074,236	18,876,065	18,373,586	16,742,467	14,263,281	33.7
NOLIN	44,216,213	39,672,514	33,591,739	34,383,316	28,076,279	57.5
OWEN	68,931,115	66,458,715	58,817,668	55,724,664	47,113,587	46.3
SALT RIVER ELECTRIC	59,871,443	57,330,349	49,796,107	48,015,562	39,732,157	50.7
SHELBY ENERGY	21,021,450	19,684,110	17,784,401	17,533,652	14,268,131	47.3
SOUTH KENTUCKY	76,437,150	67,646,098	59,324,021	55,802,486	48,838,870	56.5
TAYLOR COUNTY	<u>26,494,596</u>	<u>25,472,592</u>	<u>22,725,012</u>	<u>22,031,517</u>	<u>19,056,126</u>	<u>39.0</u>
TOTAL EKPC	\$655,916,732	\$605,049,733	\$537,671,122	\$521,498,561	\$440,905,586	48.8 %
JACKSON PURCHASE	\$27,275,780	\$25,697,996	\$23,847,988	\$24,496,967	\$22,841,472	19.4 %
KENERGY	50,078,902	50,041,715	43,955,864	45,323,132	42,207,989	18.6
MEADE COUNTY	<u>24,196,053</u>	<u>21,982,113</u>	<u>20,297,372</u>	<u>20,436,215</u>	<u>18,944,590</u>	<u>27.7</u>
TOTAL BIG RIVERS	\$101,550,735	\$97,721,824	\$88,101,224	\$90,256,314	\$83,994,051	20.9 %
HICKMAN-FULTON	\$5,096,364	\$4,576,311	\$4,311,951	\$4,190,389	\$4,000,868	27.4 %
PENNYRILE	58,879,793	51,817,219	48,880,787	44,135,641	41,000,292	43.6
TRI-COUNTY	59,815,321	54,981,186	52,780,772	47,841,610	44,800,930	33.5
WARREN	79,120,223	69,955,053	64,825,495	60,315,980	55,933,218	41.5
WEST KENTUCKY	<u>51,409,815</u>	<u>45,691,877</u>	<u>41,190,556</u>	<u>38,609,978</u>	<u>35,207,258</u>	<u>46.0</u>
TOTAL TVA	\$254,321,516	\$227,021,646	\$211,989,561	\$195,093,598	\$180,942,566	40.6 %
OVERALL TOTAL	\$1,011,788,983	\$929,793,203	\$837,761,907	\$806,848,473	\$705,842,203	43.3 %

2008
KENTUCKY ELECTRIC COOPERATIVES
OPERATING EXPENSE STATISTICAL COMPARISONS
AVERAGE ANNUAL BASIS

COOPERATIVE NAME	DISTRIBUTION OPERATION PER MILE	DISTRIBUTION MAINTENANCE PER MILE	TOTAL OP. & MAINT. PER MILE	CONSUMER ACCOUNTING PER MILE	CONSUMER INFORMATION PER MILE	ADM. & GEN. EXPENSE PER MILE	TOTAL EXPENSE PER MILE	NUMBER OF EMPLOYEES	MILES OF LINE	RESIDENTIAL CONSUMERS BILLED	TOTAL RESIDENTIAL REVENUES	AVERAGE MONTHLY RES'L REV
BIG SANDY RECC	991	952	1,943	566	103	1,132	3,744	41	1,027	12,083	16,830,290	116.1
BLUE GRASS ENERGY COOP	587	1,114	1,701	551	264	970	3,486	113	4,566	52,345	75,708,257	120.5
CLARK ENERGY COOP	526	690	1,216	440	60	466	2,182	50	3,014	24,344	31,325,955	107.2
CUMBERLAND VALLEY ELECTRIC	430	896	1,326	622	73	421	2,442	56	2,592	22,204	29,511,472	110.8
FARMERS RECC	301	643	944	308	34	507	1,793	69	3,539	22,490	27,656,329	102.5
FLEMING-MASON ENERGY	414	672	1,086	455	48	387	1,976	51	3,506	17,730	27,400,745	128.8
GRAYSON RECC	440	861	1,301	357	96	625	2,379	45	2,466	14,422	19,326,239	111.7
INTER-COUNTY ENERGY	543	419	962	481	144	474	2,061	63	3,687	23,989	35,150,797	122.1
JACKSON ENERGY COOP	666	848	1,514	575	73	675	2,837	133	5,663	48,008	76,960,445	133.6
LICKING VALLEY RECC	682	802	1,484	345	35	466	2,330	46	2,023	16,274	19,074,236	97.7
NOLIN RECC	966	1,009	1,975	694	282	835	3,786	93	2,939	29,814	44,216,213	123.6
OWEN EC	829	829	1,824	740	115	715	3,394	145	4,451	54,427	68,931,115	105.5
SALT RIVER ELECTRIC	583	769	1,352	513	117	676	2,658	76	3,953	43,211	59,871,443	115.5
SHELBY ENERGY COOP	614	716	1,330	344	66	417	2,157	30	2,078	14,748	21,021,450	118.8
SOUTH KENTUCKY RECC	506	843	1,349	605	129	535	2,618	170	6,685	60,649	76,437,150	105.0
TAYLOR COUNTY RECC	475	483	958	309	24	412	1,703	55	3,169	22,301	26,494,596	99.0
EKPC GROUP AVERAGE	607	784	1,391	494	104	607	2,596	77	3,460	29,940	40,994,796	114.1
JACKSON PURCHASE ENERGY	785	1,389	2,174	403	91	735	3,403	78	2,891	26,038	27,275,780	87.3
KENERGY CORP	610	1,369	1,979	430	47	383	2,839	155	6,997	45,039	50,078,902	92.7
MEADE COUNTY RECC	675	863	1,538	431	75	459	2,503	63	2,972	25,808	24,196,053	78.1
BIG RIVERS GROUP AVERAGE	690	1,207	1,897	421	71	526	2,915	99	4,287	32,295	33,850,245	87.4
HICKMAN-FULTON COUNTIES RECC	571	1,334	1,905	302	27	648	2,882	13	689	2,928	5,096,364	145.1
PENNYRILE RECC	750	750	1,500	402	91	512	2,505	125	5,075	37,084	58,879,793	132.3
TRI-COUNTY EMC	755	700	1,455	460	101	359	2,375	140	5,467	40,717	59,815,321	122.4
WARREN RECC	856	940	1,796	570	148	982	3,496	155	5,615	49,453	79,120,223	133.3
WEST KENTUCKY RECC	713	1,739	2,452	646	57	494	3,649	84	4,033	30,711	51,409,815	139.5
TVA GROUP AVERAGE	729	1,093	1,822	476	85	599	2,982	103	4,176	32,179	50,864,303	131.7
OVERALL AVERAGE	643	901	1,544	481	96	595	2,716	85	3,712	30,701	42,157,874	114.4

2008
KENTUCKY ELECTRIC COOPERATIVES
OPERATING EXPENSE STATISTICAL COMPARISONS
AVERAGE ANNUAL BASIS

COOPERATIVE NAME	DISTRIBUTION OPERATION PER CONSUMER	DISTRIBUTION MAINTENANCE PER CONSUMER	TOTAL OP. & MAINT. PER CONSUMER	CONSUMER ACCOUNTING PER CONSUMER	CONSUMER INFORMATION PER CONSUMER	ADM. & GEN. EXPENSE PER CONSUMER	TOTAL EXPENSE PER CONSUMER	NUMBER OF EMPLOYEES	MILES OF LINE	NUMBER OF CONSUMERS BILLED	MILES OF LINE PER EMPLOYEE	CONSUMERS PER EMPLOYEE	DENSITY CONSUMERS PER MILE
BIG SANDY RECC	77	74	151	44	8	88	291	41	1,027	13,211	25.0	322	12.8
BLUE GRASS ENERGY COOP	49	93	142	46	22	81	291	113	4,566	54,694	40.4	484	12.0
CLARK ENERGY COOP	61	80	141	51	7	54	253	50	3,014	26,006	60.3	520	8.6
CUMBERLAND VALLEY ELECTRIC	47	98	145	68	8	46	267	56	2,592	23,695	46.3	423	9.1
FARMERS RECC	44	94	138	45	5	74	262	69	3,539	24,226	51.3	351	6.8
FLEMING-MASON ENERGY	61	99	160	67	7	57	291	51	3,506	23,804	68.8	467	6.8
GRAYSON RECC	69	135	204	56	15	98	373	45	2,466	15,722	54.8	349	6.4
INTER-COUNTY ENERGY	79	61	140	70	21	69	300	63	3,687	25,353	58.5	402	6.9
JACKSON ENERGY COOP	73	93	166	63	8	74	311	133	5,663	51,644	42.6	388	9.1
LICKING VALLEY RECC	79	93	172	40	4	54	270	46	2,023	17,453	44.0	379	8.6
NOLIN RECC	89	93	182	64	26	77	349	93	2,939	31,885	31.6	343	10.9
OWEN EC	78	65	143	58	9	56	266	145	4,451	56,794	30.7	392	12.8
SALT RIVER ELECTRIC	50	66	116	44	10	58	228	76	3,953	46,071	52.0	606	11.7
SHELBY ENERGY COOP	84	98	182	47	9	57	295	30	2,078	15,191	69.2	506	7.3
SOUTH KENTUCKY RECC	51	85	136	61	13	54	264	170	6,685	66,276	39.3	390	9.9
TAYLOR COUNTY RECC	60	61	121	39	3	52	215	55	3,169	25,078	57.6	456	7.9
EKPC GROUP AVERAGE	66	87	153	54	11	66	284	77	3,460	32,319	44.9	420	9.3
JACKSON PURCHASE ENERGY	78	138	216	40	9	73	338	78	2,891	29,092	37.1	373	10.1
KENERGY CORP	78	175	253	55	6	49	363	155	6,997	54,736	45.1	353	7.8
MEADE COUNTY RECC	72	92	164	46	8	49	267	63	2,972	27,866	47.0	442	9.4
BIG RIVERS GROUP AVERAGE	76	135	211	47	8	57	323	99	4,287	37,231	43.3	376	8.7
HICKMAN-FULTON COUNTIES RECC	104	243	347	55	5	118	525	13	689	3,782	53.0	291	5.5
PENNYRILE RECC	82	82	164	44	10	56	274	125	5,075	46,419	40.6	371	9.2
TRI-COUNTY EMC	82	76	158	50	11	39	258	140	5,467	50,331	39.0	360	9.2
WARREN RECC	81	89	170	54	14	93	331	155	5,615	59,317	36.2	383	10.6
WEST KENTUCKY RECC	75	183	258	68	6	52	384	84	4,033	38,323	48.0	456	9.5
TVA GROUP AVERAGE	85	135	220	54	9	72	355	103	4,176	39,634	40.5	385	9.5
OVERALL AVERAGE	71	103	174	53	10	66	303	85	3,712	34,457	43.7	405	9.3

Shelby Energy Cooperative
Case No. 2009-00410
Capitalization Policies

		Benefits <u>Distribution</u>
9	107.20	Construction work in progress 257,399
10	108.80	Retirement work in progress 32,863
11	143.00	Receivable from others 723
12	163.00	Stores 24,971
13	184.00	Transportation 60
14	242.52	Employee sick leave/vacation
15	580.00	Operations 20,912
16	583.00	Overhead line 19,746
17	584.00	Underground 0
18	586.00	Meter 53,135
19	587.00	Installations 12,746
20	588.00	Miscellaneous distribution 13,539
21	590.00	Maintenance 4,051
22	593.00	Overhead line 168,219
23	594.00	Underground 8,976
24	595.00	Transformers 10
25	597.00	Street lights 1,116
26	598.00	Miscellaneous maintenance 15,823
27	901.00	Supervision 11,311
28	902.00	Meter reading 14,105
29	903.00	Consumer records 21,691
30	904.00	Consumer records 4,942
31	907.00	Supervision, Customer service 6,885
32	908.00	Consumer accounting 15,841
33	909.00	Consumer information 1,691
34	910.00	Misc customer information 2,620
35	912.00	Customer demonstration 599
36	920.00	Administrative 46,071
37	926.00	Employee benefits 4,264
38	930.00	Miscellaneous 8,863
39	935.00	Maintenance general plant <u>315</u>
40		
41	Total	<u>773,487</u>
42		
43	Benefits include the following:	
44	Medical insurance	327,090
45	Life insurance	6,518
46	R & S retirement	243,802
47	Savings plan 401(k)	32,275
48	Payroll taxes	<u>169,736</u>
49		
50		<u>779,421</u>

Shelby accumulates all benefits, then allocates these to accounts based on the labor distribution for the month. The above is the actual allocation for the test year for the above benefits

The total number of employees is 32, with an average benefit cost of \$24,171.

Shelby Energy Cooperative

Case No. 2009-00410

July 31, 2009

Attached is the Equity Management Plan.

Capital credits were paid as follows:

	<u>General</u>	<u>Estates</u>	<u>Total</u>
2009	\$0	\$9,603	\$9,603
2008	321,395	205,281	526,676
2007	315,943	101,647	417,590
2006	425,235	130,449	555,684
2005	403,245	151,660	554,905
2004	0	118,895	118,895
Prior years	<u>1,180,249</u>	<u>1,549,684</u>	<u>2,729,933</u>
Total	<u>\$2,646,067</u>	<u>\$2,267,219</u>	<u>\$4,913,286</u>

SHELBY ENERGY COOPERATIVE, INC
Shelbyville, Kentucky

POLICY NO. 303

EQUITY MANAGEMENT

I. OBJECTIVE

The objective of this policy is to devise an Equity Management Plan that will assure the financial integrity of Shelby Energy Cooperative at all times and develop an approach to long-range financial planning that will allow the refund of capital credits to members as provided in the bylaws.

II. CONTENT

A. Financial planning is required to:

1. Provide adequate working capital and cash reserves;
2. Provide adequate funds for debt retirement;
3. Provide adequate funds to maintain all facilities at the highest operational level consistent with sound economic practices;
4. Provide adequate funds for additions to plant;
5. Maintain rates at a level competitive with rates of other energy suppliers adjacent to the Cooperative's service area.

B. The Cooperative will make annual payments of capital credits on the capital of the Cooperative provided the following conditions are met:

1. The Board of Directors shall determine that the financial condition of the Cooperative will not be impaired, and that satisfactory progress is being made toward the Cooperative's equity management goals as set forth below.
2. The Cooperative's equity management goals shall be to operate the Cooperative's business with annual revenue and expense levels so as to:
 - a. Maintain a Times Interest Earned Ratio (TIER) of 1.5x to 2.0x.
 - b. Achieve in proper time and maintain an Equity Ratio (equity as a percent of total capitalization) at or near the optimum level that is determined each year from calculations using the following variables:

* The average compound rate of growth for the Cooperative's total capital structure;

- * The blended cost of interest on the Cooperative's outstanding long-term debt;
 - * The repayment of capital credits to the Cooperative's members based on a cycle that will pay annual capital credits equal to or less than five percent (5%) of the total of member's equity at calendar year end; and
 - * The TIER level as stated in paragraph B2a above.
3. Expend all efforts to achieve and maintain a rate of return upon the total capital structure of the Cooperative equal to that necessary to attain the stated TIER goal and optimum equity goal.
 4. Achieve an equity capitalization target range of thirty percent (30%) to forty percent (40%), not including Generation and Transmission Cooperative Credits (GTCC's).
- C. All payments of general and special capital credit refunds will be authorized at least annually by the Board of Directors, and:
1. Will be in total amounts not exceeding those amounts permitted by the mortgage requirements of Shelby Energy's lenders;
 2. Will be in such large amounts as approved by RUS and CFC pursuant to a request made by the Cooperative's Board of Directors and supported by an Equity Management Plan which indicates satisfactory progress toward the Cooperative's equity management goals;
 3. Capital credit refunds to the estates of deceased members will continue to be discounted, if all loan requirements of Shelby Energy's lenders are being met.

III. RESPONSIBILITY

It is recognized there are a number of variables that interact and result in a financial condition. Of these variables, the rate of plant growth and the cost of debt capital are relatively uncontrollable items.

- A. The President and Chief Executive Officer is responsible for the development and maintenance of the Equity Management Plan.
- B. The Board of Directors is responsible for adopting and periodic review of the Equity Management Plan.

- C. The discretionary powers of capital credit repayments shall remain with the Board of Directors as stated in the bylaws, and this policy shall not diminish that right.

Adopted: September 22, 1966
Revised: January 31, 1974
October 23, 1986
June 22, 1989
May 28, 1998
September 22, 2005
Reviewed: August 26, 1999