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Commonwealth of Kentucky
Public Service Commission
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James Gardner
Vice Chairman

Charles R. Borders
Commissioner

January 28, 2010

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

RE: Case No. 2009-00410
Shelby Energy Cooperative, Inc.

The Commission staff has reviewed your response and has determined that your application in the above case now meets the minimum filing requirements. Enclosed please find a stamped filed copy of the first page of your filing. This case has been docketed and will be processed as expeditiously as possible.

If you need further assistance, please contact my staff at 502/564-3940.

Sincerely,

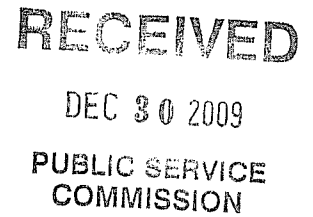
A handwritten signature in cursive script that reads "Linda Faulkner".

Linda Faulkner
Filings Division Director

JD/ke
Enclosure



COMMONWEALTH OF KENTUCKY
BEFORE THE 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