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November 30, 2011

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PUBLIC SERVICE
COMMISSION

Mr. Jeff Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Re: Shelby Energy Cooperative PSC Case No. 2011-00391

Dear Mr. Derouen:

Pursuant to Paragraph 3 of the Commission's Order dated November 4, 2011, please find enclosed an updated version of Exhibit 7, Pages 1-8, of the original application. The exact amount of the new CFC loan is \$3,166,219.62.

Please file the original to the record of this action and return the file-stamped copy to me in the enclosed self-addressed, stamped envelope.

Our records indicate this is the last information requested by the Commission in this case. Please let us know if the Commission requires further information.

Thank you for your attention to this matter.

Very truly yours,

MATHIS, RIGGS & PRATHER, P.S.C.

By: Donald T. Prather
Donald T. Prather

By Paula McElain

DTP/pm
Enclosures



Shelby Energy Cooperative, Inc.

RUS LOANS - in detail

Count	Loan Number	Payments Per Year	Interest Rate	Amort Type	Loan Balance	Payment	Maturity Date	Years to Maturity	Treasury Rate	Payoff Amount
1	1B250	4	5.00%	LD	\$ 72,057.22	\$ 10,770.20	8/31/2013	1.58	0.00%	\$ 72,057.22
2	1B252	4	5.00%	LD	\$ 72,057.22	\$ 10,770.20	8/31/2013	1.58	0.00%	\$ 72,057.22
3	1B260	4	5.00%	LD	\$ 111,986.47	\$ 7,347.60	2/29/2016	4.08	0.00%	\$ 111,986.47
4	1B262	4	5.00%	LD	\$ 111,986.47	\$ 7,347.60	2/29/2016	4.08	0.00%	\$ 111,986.47
5	1B270	12	5.00%	LD	\$ 91,025.01	\$ 1,412.10	2/28/2018	6.18	0.00%	\$ 91,025.01
6	1B272	12	5.00%	LD	\$ 91,400.34	\$ 1,412.10	2/28/2018	6.28	0.00%	\$ 91,400.34
7	1B280	12	5.00%	LD	\$ 303,566.97	\$ 3,277.78	8/31/2021	9.68	0.00%	\$ 303,566.97
8	1B281	12	5.00%	LD	\$ 246.59	\$ 2.65	8/31/2021	9.78	0.00%	\$ 246.59
9	1B283	12	5.00%	LD	\$ 312,921.66	\$ 3,362.85	8/31/2021	9.78	0.00%	\$ 312,921.66
10	1B290	12	5.00%	LD	\$ 394,830.79	\$ 3,396.69	2/28/2025	13.18	0.00%	\$ 394,830.79
11	1B292	12	5.00%	LD	\$ 394,830.79	\$ 3,396.69	2/28/2025	13.18	0.00%	\$ 394,830.79
12	1B300	12	5.00%	LD	\$ 335,716.10	\$ 2,585.00	6/30/2027	15.58	0.00%	\$ 335,716.10
13	1B301	12	5.00%	LD	\$ 262,530.28	\$ 2,021.47	6/30/2027	15.58	0.00%	\$ 262,530.28
14	1B302	12	5.00%	LD	\$ 334.06	\$ 2.59	4/30/2027	15.38	0.00%	\$ 334.06
15	1B305	12	5.00%	LD	\$ 598,580.53	\$ 4,609.06	6/30/2027	15.58	0.00%	\$ 598,580.53



Prepared exclusively for: Shelby Energy Cooperative, Inc.

Scenario: RUS 5% Refinance Matching Principal Payments

Overall Summary

Effective Interest Rate (after discounts, patronage capital):	4.07%
Effective Interest Rate (before discounts, patronage capital):	4.34%
Value of savings from discounts, patronage capital:	(0.27%)

Debt Summary

Current total LT debt outstanding: \$	3,536,244
New proposed loan amount: \$	3,154,070
Potential total LT debt outstanding: \$	6,690,315

Equity Summary

Current total equity at CFC: \$	833,008
Potential CFC debt to equity ratio:	8.03
Additional equity required as LCTCs: \$	-
Portion of new loan used to purchase LCTCs: \$	-

This information is confidential and is not to be disclosed to third parties without prior CFC consent. This presentation reflects CFC's programs and policies in effect at the time this presentation was created and will remain valid through **12/14/2011**. The interest rates used in this presentation were CFC's interest rates in effect on **9/15/2011** and are effective for that date only. No future representation of interest rates is implied.



Shelby Energy Cooperative, Inc.

CFC Loan Scenario

Portfolio: RUS 5% Refinance Matching Principal Payments

Count	Variable or Fixed	Interest Rate	Amort. Type	Advance Date	Amortization Start Date	Interest Rate Term	Loan Term In Months	Months to defer	Balloon Date	Final Payment Date	Loan Amount	LCTC's required?
1	F	2.850%	LD	11/21/2011	12/1/2011	1	12	0		8/31/2012	\$208,142.15	No
2	F	2.850%	LD	11/21/2011	9/1/2012	2	24	9		8/31/2013	\$309,404.19	No
3	F	3.000%	LD	11/21/2011	9/1/2013	3	36	21		8/31/2014	\$237,850.36	No
4	F	3.250%	LD	11/21/2011	9/1/2014	4	48	33		8/31/2015	\$249,333.61	No
5	F	3.500%	LD	11/21/2011	9/1/2015	5	60	45		8/31/2016	\$232,530.30	No
6	F	3.750%	LD	11/21/2011	9/1/2016	6	72	57		8/31/2017	\$214,232.69	No
7	F	4.000%	LD	11/21/2011	9/1/2017	7	84	69		8/31/2018	\$214,812.64	No
8	F	4.200%	LD	11/21/2011	9/1/2018	8	96	81		8/31/2019	\$201,351.38	No
9	F	4.350%	LD	11/21/2011	9/1/2019	9	108	93		8/31/2020	\$211,557.46	No
10	F	4.500%	LD	11/21/2011	9/1/2020	10	120	105		8/31/2021	\$222,562.17	No
11	F	4.600%	LD	11/21/2011	9/1/2021	11	132	117		8/31/2022	\$170,424.48	No
12	F	4.700%	LD	11/21/2011	9/1/2022	12	144	129		8/31/2023	\$161,013.87	No
13	F	4.800%	LD	11/21/2011	9/1/2023	13	156	141		8/31/2024	\$169,216.41	No
14	F	4.900%	LD	11/21/2011	9/1/2024	14	168	153		8/31/2025	\$152,424.06	No
15	F	4.950%	LD	11/21/2011	9/1/2025	15	180	165		8/31/2026	\$102,295.74	No
16	F	5.050%	LD	11/21/2011	9/1/2026	16	192	177		8/31/2027	\$96,919	No



Shelby Energy Cooperative, Inc.

Summary Comparison of Cash Flows

Portfolio: RUS 5% Refinance Matching Principal Payments

	Principal Payments	Interest Payments	Total Discounts	Patronage Retirement	LCTC Payments	LCTC Return	Total Cash Flow
RUS	(\$3,154,071)	(\$1,050,407)	\$0	\$0	\$0	\$0	(\$4,204,478)
CFC	(\$3,154,070)	(\$945,964)	\$0	\$88,842	\$0	\$0	(\$4,011,193)
RUS-CFC	(\$0)	(\$104,443)	\$0	(\$88,842)	\$0	\$0	(\$193,284)



Shelby Energy Cooperative, Inc.

Detailed Comparison of Cash Flows

Portfolio: RUS 5% Refinance Matching Principal Payments

Year	RUS events	CFC events				Comparison	
	RUS Payments	CFC Payments	CFC Patronage	LCTC's Payments	LCTC's Return	CFC Net Cash Flows	RUS - CFC Net Cash Flows
8/31/2012	(\$399,732)	(\$302,632)	\$3,033	-	-	(\$299,599)	(\$100,133)
8/31/2013	(\$429,799)	(\$423,570)	\$5,462	-	-	(\$418,108)	(\$11,691)
8/31/2014	(\$364,529)	(\$343,826)	\$5,065	-	-	(\$338,761)	(\$25,768)
8/31/2015	(\$364,529)	(\$347,815)	\$4,717	-	-	(\$343,098)	(\$21,431)
8/31/2016	(\$320,632)	(\$322,897)	\$4,339	-	-	(\$318,557)	(\$2,075)
8/31/2017	(\$305,748)	(\$296,501)	\$3,958	-	-	(\$292,543)	(\$13,205)
8/31/2018	(\$287,106)	(\$288,841)	\$3,576	-	-	(\$285,265)	(\$1,841)
8/31/2019	(\$271,857)	(\$266,839)	\$3,175	-	-	(\$263,664)	(\$8,193)
8/31/2020	(\$271,857)	(\$268,312)	\$2,771	-	-	(\$265,541)	(\$6,316)
8/31/2021	(\$269,307)	(\$269,813)	\$2,334	-	-	(\$267,479)	(\$1,828)
8/31/2022	(\$192,138)	(\$208,469)	\$1,885	-	-	(\$206,584)	\$14,446
8/31/2023	(\$192,138)	(\$191,321)	\$1,513	-	-	(\$189,808)	(\$2,330)
8/31/2024	(\$192,138)	(\$191,750)	\$1,152	-	-	(\$190,598)	(\$1,540)
8/31/2025	(\$146,393)	(\$167,079)	\$778	-	-	(\$166,301)	\$19,907
8/31/2026	(\$110,617)	(\$110,374)	\$446	-	-	(\$109,928)	(\$689)
8/31/2027	(\$85,957)	(\$99,997)	\$203	-	-	(\$99,795)	\$13,838
8/31/2028	-	-	\$15	-	-	\$15	(\$15)
8/31/2029	-	-	-	-	-	-	-
8/31/2030	-	-	-	-	-	-	-
8/31/2031	-	-	-	-	-	-	-
8/31/2032	-	-	-	-	-	-	-
8/31/2033	-	-	-	-	-	-	-
8/31/2034	-	-	-	-	-	-	-
8/31/2035	-	-	-	-	-	-	-
8/31/2036	-	-	-	-	-	-	-
8/31/2037	-	-	\$3,033	-	-	\$3,033	(\$3,033)
8/31/2038	-	-	\$5,462	-	-	\$5,462	(\$5,462)
8/31/2039	-	-	\$5,065	-	-	\$5,065	(\$5,065)
8/31/2040	-	-	\$4,717	-	-	\$4,717	(\$4,717)
8/31/2041	-	-	\$4,339	-	-	\$4,339	(\$4,339)
8/31/2042	-	-	\$3,958	-	-	\$3,958	(\$3,958)
8/31/2043	-	-	\$3,576	-	-	\$3,576	(\$3,576)
8/31/2044	-	-	\$3,175	-	-	\$3,175	(\$3,175)
8/31/2045	-	-	\$2,771	-	-	\$2,771	(\$2,771)



Shelby Energy Cooperative, Inc.
Detailed Comparison of Cash Flows
Portfolio: RUS 5% Refinance Matching Principal Payments

Year	RUS events	CFC events				Comparison	
	RUS Payments	CFC Payments	CFC Patronage	LCTC's Payments	LCTC's Return	CFC Net Cash Flows	RUS - CFC Net Cash Flows
8/31/2046	-	-	\$2,334	-	-	\$2,334	(\$2,334)
8/31/2047	-	-	\$1,885	-	-	\$1,885	(\$1,885)
8/31/2048	-	-	\$1,513	-	-	\$1,513	(\$1,513)
8/31/2049	-	-	\$1,152	-	-	\$1,152	(\$1,152)
8/31/2050	-	-	\$778	-	-	\$778	(\$778)
8/31/2051	-	-	\$446	-	-	\$446	(\$446)
8/31/2052	-	-	\$203	-	-	\$203	(\$203)
8/31/2053	-	-	\$15	-	-	\$15	(\$15)
8/31/2054	-	-	-	-	-	-	-
8/31/2055	-	-	-	-	-	-	-
8/31/2056	-	-	-	-	-	-	-
8/31/2057	-	-	-	-	-	-	-
8/31/2058	-	-	-	-	-	-	-
8/31/2059	-	-	-	-	-	-	-
8/31/2060	-	-	-	-	-	-	-
8/31/2061	-	-	-	-	-	-	-

Sum of Cash Flows

Year 5	(\$1,879,221)	(\$1,740,739)	\$22,616	\$0	\$0	(\$1,718,123)	(\$161,098)
Year 10	(\$3,285,096)	(\$3,131,045)	\$38,430	\$0	\$0	(\$3,092,615)	(\$192,481)
Year 15	(\$4,118,521)	(\$4,000,038)	\$44,204	\$0	\$0	(\$3,955,834)	(\$162,687)
Year 20	(\$4,204,478)	(\$4,100,035)	\$44,421	\$0	\$0	(\$4,055,614)	(\$148,864)
Year 30	(\$4,204,478)	(\$4,100,035)	\$67,037	\$0	\$0	(\$4,032,998)	(\$171,480)
All years	(\$4,204,478)	(\$4,100,035)	\$88,842	\$0	\$0	(\$4,011,193)	(\$193,284)



Shelby Energy Cooperative, Inc.

RUS LOANS - Cash Flows

Year	Total Cash Flow	Principal Payments	Interest Payments	Outstanding Balance
12/31/2009	\$3,154,070	\$3,154,070	\$0	\$3,154,070
12/31/2010	(\$399,732)	(\$270,211)	(\$129,521)	\$2,883,860
12/31/2011	(\$429,799)	(\$292,320)	(\$137,479)	\$2,591,540
12/31/2012	(\$364,529)	(\$240,208)	(\$124,320)	\$2,351,331
12/31/2013	(\$364,529)	(\$252,486)	(\$112,042)	\$2,098,845
12/31/2014	(\$320,632)	(\$220,843)	(\$99,789)	\$1,878,002
12/31/2015	(\$305,748)	(\$216,878)	(\$88,870)	\$1,661,124
12/31/2016	(\$287,106)	(\$209,022)	(\$78,084)	\$1,452,102
12/31/2017	(\$271,857)	(\$203,900)	(\$67,957)	\$1,248,202
12/31/2018	(\$271,857)	(\$214,272)	(\$57,585)	\$1,033,930
12/31/2019	(\$269,307)	(\$222,791)	(\$46,515)	\$811,138
12/31/2020	(\$192,138)	(\$155,116)	(\$37,022)	\$656,023
12/31/2021	(\$192,138)	(\$163,052)	(\$29,086)	\$492,971
12/31/2022	(\$192,138)	(\$171,370)	(\$20,768)	\$321,600
12/31/2023	(\$146,393)	(\$133,873)	(\$12,521)	\$187,728
12/31/2024	(\$110,617)	(\$103,590)	(\$7,027)	\$84,137
12/31/2025	(\$85,957)	(\$84,137)	(\$1,819)	\$0
12/31/2026	\$0	\$0	\$0	\$0
12/31/2027	\$0	\$0	\$0	\$0
12/31/2028	\$0	\$0	\$0	\$0

Schedule A

Loan Number	9016-001	9016-002	9016-003	9016-004	9016-005	9016-006	9016-007	9016-008	9016-009	9016-010	9016-011	9016-012	9016-013	9016-014	9016-015	9016-016
Date of Interest Rates (Set Date)	9/15/2011	9/15/2011	9/15/2011	9/15/2011	9/15/2011	9/15/2011	9/15/2011	9/15/2011	9/15/2011	9/15/2011	9/15/2011	9/15/2011	9/15/2011	9/15/2011	9/15/2011	9/15/2011
Advance Amount (Notional Amount)	208,142.15	309,404.19	237,850.36	249,333.61	232,530.30	214,232.69	214,812.64	201,351.38	211,557.46	222,562.17	170,424.48	161,013.87	169,216.41	152,424.06	102,295.74	96,918.96
Advance Date (Effective Date)	12/15/2011	12/15/2011	12/15/2011	12/15/2011	12/15/2011	12/15/2011	12/15/2011	12/15/2011	12/15/2011	12/15/2011	12/15/2011	12/15/2011	12/15/2011	12/15/2011	12/15/2011	12/15/2011
Loan Term (years)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Amortization Type	LDS	LDS	LDS	LDS	LDS	LDS	LDS	LDS	LDS	LDS	LDS	LDS	LDS	LDS	LDS	LDS
Deferral Period (months)	0	9	21	33	45	57	69	81	93	105	117	129	141	153	165	177
Amortization Start Date	3/1/2012	12/1/2012	12/1/2013	12/1/2014	12/1/2015	12/1/2016	12/1/2017	12/1/2018	12/1/2019	12/1/2020	12/1/2021	12/1/2022	12/1/2023	12/1/2024	12/1/2025	12/1/2026
Final Payment Date	11/30/2012	11/30/2013	11/30/2014	11/30/2015	11/30/2016	11/30/2017	11/30/2018	11/30/2019	11/30/2020	11/30/2021	11/30/2022	11/30/2023	11/30/2024	11/30/2025	11/30/2026	11/30/2027
Interest Rate Term	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
New Reprice Date	FTM	FTM	FTM	FTM	FTM	FTM	FTM	FTM	FTM	FTM	FTM	FTM	FTM	FTM	FTM	FTM
Interest Rate on Set Date	2.80%	2.80%	2.95%	3.20%	3.45%	3.70%	3.95%	4.15%	4.30%	4.45%	4.55%	4.65%	4.75%	4.85%	4.90%	5.00%
Forward Interest Rate Adder	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
All-In Fixed Rate on Advance Date	2.85%	2.85%	3.00%	3.25%	3.50%	3.75%	4.00%	4.20%	4.35%	4.50%	4.60%	4.70%	4.80%	4.90%	4.95%	5.05%