

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 5(1)

BY: Stephan D. Bell  
SECRETARY OF THE COMMISSION

FOR	<u>All Territory Served</u>
P.S.C. No.	<u>8</u>
Original	SHEET NO. <u>5</u>
CANCELLING P.S.C. NO.	<u>7</u>
	SHEET NO. _____

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.

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: June 11, 1997

EFFECTIVE DATE: June 4, 1997

ISSUED BY: Darby Bolton, Jr.  
Name of Officer

President & General Manager  
Title

Shelbyville, KY 40065  
Address

C 10/01