

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

Name of Issuing Corporation

FOR All Territory Served
P.S.C. No. 8
Original SHEET NO. 1
CANCELLING P.S.C. NO. 7
SHEET NO. _____

RULES AND REGULATIONS

1. SCOPE

This schedule of Rules and Regulations is hereby made a part of all contracts for electric service received from Shelby Energy Cooperative Corporation, 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

These Rules and Regulations may be revised, amended, supplemented, or otherwise changed from time to time after approval by Shelby Energy Cooperative Corporation'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.

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5. AVAILABILITY OF SERVICE TO DELINQUENT MEMBERS

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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 grounds that the applicant is applying as the agent of the delinquent member.

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

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

President & General Manager
Title

Shelbyville, KY 40065
Address

C 1/98

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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FOR All Territory Served

P.S.C. No. 8

Original SHEET NO. 12

CANCELLING P.S.C. NO. 7

SHEET NO. _____

JUN 04 1997

PURSUANT TO 807 KAR 5.011.
SECTION 9 (1)

RULES AND REGULATIONS
BY Stephen D. Bell
SECRETARY OF THE COMMISSION

Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

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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 dispute the reasons for such discontinuance.

26. INSPECTIONS

Shelby Energy Cooperative Corporation 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.

DATE OF ISSUE: June 11, 1997

EFFECTIVE DATE: June 4, 1997

ISSUED BY: Dandy Bottom, Jr.
Name of Officer

President & General Manager
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FOR All Territory Served
P.S.C. No. 9
1st Revised SHEET NO. 18
CANCELLING P.S.C. NO. 8
Original SHEET NO. 18

Shelby Energy Cooperative, Inc.
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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.

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3.
OCT 23 1997

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

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

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

- (T) 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.
- 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 RECC.

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

EFFECTIVE DATE: October 23, 1997
President & General Manager
Title

October 23, 1997
Shelbyville, KY 40065
Address

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Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

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FOR All Territory Served
P.S.C. No. 8
Original SHEET NO. 29
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RULES AND REGULATIONS

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

Purpose - To provide a plan for reducing the consumption of electric energy on Shelby Energy Cooperative Corporation'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

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

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.

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
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Shelby Energy Cooperative, Inc.
Shelbyville, Kentucky

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FOR All Territory Served
P.S.C. No. 8
Original SHEET NO. 36
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SHEET NO. 8
**PUBLIC SERVICE COMMISSION
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RULES AND REGULATIONS

APPENDIX "E"

JUN 04 1997

VOLUNTARY LOAD REDUCTION PROCEDURE

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)
BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Objective:

To reduce demand on Shelby Energy's system over the period during which an electric 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).

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 you area, we need your help NOW until (time of emergency).

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

Thank you for your cooperation."

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: June 11, 1997

EFFECTIVE DATE: June 4, 1997

ISSUED BY:

Dudley Bottom, Jr.
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