P. S. C. Ky. No. 5

Cancels P. S. C. Ky. No. 4

SHELBY RURAL ELECTRIC COOPERATIVE CORPORATION

OF

SHELBYVILLE, KENTUCKY 40065

Rules and Regulations for Furnishing

ELECTRICITY

AT

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

Oldham, Jefferson, Spencer, and Anderson

Filed with PUBLIC SERVICE COMMISSION OF KENTUCKY

ISSUED December 1, 19 82 EFFECTIVE January 1, 19 83

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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JAN 1 1983

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

BY: [signature]

ISSUED BY Shelby Rural Electric Coop. Corp.
(Name of Utility)

BY Thomas Barker Jr.
Thomas Barker, Jr.

President and General Manager

C9-92

FOR All Territory Served

P.S.C. Ky. No. 5

Original Sheet No. 1

Cancelling P.S.C. Ky. No. 4

Sheet No.

Shelby Rural Electric Cooperative Corporation

Shelbyville, Kentucky

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 Rural Electric 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 Rural Electric 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. The member shall be informed of any changes as soon as possible, after adoption by the Board of Directors, through the Cooperative's monthly newsletter or direct mailing.

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. If the application is accepted before the facts are established, the membership of the agent applicant will be cancelled and the deposit, if any, applied to the delinquent member's account.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

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ISSUED BY Thomas Barker Jr. President and General Manager Shelbyville, KY 40065

Name of Officer Title Address

C9-92

RULES AND REGULATIONS

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

7. 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.

8. APPLICATION FOR 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" before service is supplied by the Cooperative. 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 property, and all necessary load information at the time of application for service. The consumer must also furnish his/her Social Security number, phone number, permanent address, place of employment, and name of spouse.

9. MEMBERSHIP FEE

The membership fee in the Cooperative shall be twenty-five dollars ($25.00). No member may hold more than one membership in the Cooperative. Discontinuance of service will automatically terminate the membership, and the membership fee will be refunded or applied against any unpaid bills of the member. Membership fees are not transferable from one member to another.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE JAN 1 1983 PURSUANT TO 807 KAR 5:011, SECTION 9 (1) BY: C 9-92

RULES AND REGULATIONS

10. 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.

11. NON-STANDARD SERVICE

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

12. BILLING

The Cooperative's billing period is from the 15th of one month to the 15th of the next month. On or about the 10th of each month, the Cooperative renders an electric service statement to each consumer for service to the 15th day of the previous month. The consumer shall pay the net amount of the electric service statement by the 25th day of the month and the gross amount which is 10% higher thereafter. Failure to receive the bill will not release the consumer from payment obligation. (Also, see #21, Discontinuance of Service, and #34, Collection of Delinquent Accounts.)

13. DEPOSITS

A cash deposit will be required from any consumer requesting service connection or reconnection equal to approximately 2/12th of the estimated annual bill except those having a signed agreement for electric service. The estimated annual bill shall be calculated at the rate in effect at time of deposit. All services for members who have established an acceptable credit history during the previous 12 months will be excluded.

An acceptable credit history means that, during the time specified the member must not have made more than two (2) late payments, paid with a cold check, or have been disconnected for non-payment.

Interest shall be computed on said deposits at the rate of 6% annually. Interest is to be paid upon refund of deposit or at December 15th of each year.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE JAN 1 1983 PURSUANT TO 807 KAR 5:011 SECTION 9(1) BY: [signature]

(continued)

Shelby Rural Electric Cooperative Corporation

Shelbyville, Kentucky

RULES AND REGULATIONS

13. DEPOSITS (continued)

Refund of all deposits shall be made under the following conditions:

1. Upon the request of discontinuation of service for which the deposit was made by the consumer (any unpaid bills shall be deducted from the deposit).

2. Upon the annual anniversary date of the payment of said deposit following one year of continuous service during which the member has established an acceptable credit history as defined above.

3. Upon discontinuation of service for which the deposit was made for any reason, (such as non-payment of bill). Any unpaid bill shall be deducted from the deposit.

14. EQUALIZED (BUDGET) BILLING

Equalized/Budget Billing is available to all residential consumers who have an average monthly bill of $50.00 and sign an agreement for such billing during the months of April, May, June, or July. Anyone not doing so during these months must wait until the following April.

The Equalized Payment Plan for each account is determined by:

1. A. Totaling the past 12 months' charges including all taxes, security light charges, if any.

   B. Dividing this total by twelve (12). This amount will then be the monthly payment for the account.

   C. Each month the 12th month is dropped and the current month added, keeping a 12 month current average, thereby never having a catch-up month.

2. Consumer agrees to provide meter reading regularly so 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 and provide monthly meter readings on time or the agreement will be voided and the total balance, if any, will be due and payable.

(continued)

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE JAN 1 1983 PURSUANT TO 807 KAR 5:011, SECTION 9 (1) BY:

Shelby Rural Electric Cooperative Corporation

Shelbyville, Kentucky

RULES AND REGULATIONS

14. EQUALIZED (BUDGET) BILLING (continued)

4. The agreement remains in effect until cancelled by the consumer or the Cooperative or by the member's failure to furnish meter readings or payments as outlined above.

15. 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 appear in person within forty-eight (48) hours from the time the serviceman has arrived at the consumer's premises for collection of his bill or disconnection of his service.

The agreement must be in writing and be signed by the consumer. The minimum amount that the consumer will be allowed to pay and retain service is one-fourth (1/4) of the delinquent amount, which must be paid at the time the agreement is made. The remainder of his past-due account may be paid by equal monthly installments over a period of time not to exceed six (6) months from the date the agreement is made. However, the consumer will be allowed to make a greater initial payment and pay the balance in less than six (6) months period. In addition to the monthly installments for the past-due amount, the consumer must also pay the current month's bill.

16. CERTIFICATE OF NEED FROM DEPARTMENT FOR SOCIAL INSURANCE

Upon written certification from one (1) of the Kentucky Department for Social Insurance's 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 percent of the poverty level, and who has been given a ten (10) day notice for nonpayment of his electric bill rendered between December 1 and March 1, and who presents such notice to the Department for Social Insurance, shall be allowed thirty (30) days in addition to such ten (10) days period in which to negotiate a partial payment plan with Shelby RECC provided such certification is delivered to Shelby RECC during the initial ten (10) day notice period by the applicant in person, by his or 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 customer 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

(continued)

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE JAN 1 1983 PURSUANT TO 807 KAR 5:011 SECTION 9 (1) BY: [signature]

RULES AND REGULATIONS

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

which would permit the consumer to become current in the payment of his or her electric bill as soon as possible but no later than August 1, Shelby RECC will accept such partial payment plan. Shelby RECC will also inform the consumer by an insert in the ten (10) day notice the telephone number and address of the nearest office of the Kentucky Cabinet for Human Resources, Department of Social Insurance.

17. LOCATION OF METERS

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

18. 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 twenty-five dollars ($25.00) reconnect fee will be charged for connection during regular working hours. If reconnected during other than regular working hours, a fifty dollars ($50.00) reconnect fee will be charged.

19. TAMPERING

If the 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.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY: [signature]

Shelby Rural Electric Cooperative Corporation
Shelbyville, Kentucky

RULES AND REGULATIONS

20. 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.

21. DISCONTINUANCE AND REFUSAL OF SERVICE

Any member desiring service discontinued or changed from one address to another shall give the Cooperative three (3) days' notice in person or writing, provided such notice does not violate contractual obligations.

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

A. For noncompliance with its Rules and Regulations. However, the Cooperative shall not discontinue or refuse service to any customer or applicant for violation of its Rules and Regulations without first having made reasonable effort to induce the customer 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 customer 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 customer 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, the Cooperative may discontinue or refuse service only after the customer or applicant shall have been given at least fifteen (15) days written notice of such intention.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE JAN 1 1983 PURSUANT TO 807 KAR 5:011, SECTION 9 (1) BY:

(continued)

FOR All Territory Served

P.S.C. Ky. No. 5

Shelby Rural Electric Cooperative Corporation

Original Sheet No. 8

Shelbyville, Kentucky

Cancelling P.S.C. Ky. No. 4

Sheet No.

RULES AND REGULATIONS

21. DISCONTINUANCE AND REFUSAL OF SERVICE (continued)

D. The Cooperative shall 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.

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 delayed charges) without first having made reasonable effort to induce the member to pay same. The customer shall be given at least ten (10) days written notice, but the cut-off 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 customer of his rights and his rights to dispute the reasons for such discontinuance.

PUBLIC SERVICE COMMISSION
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EFFECTIVE

JAN 1 1983

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ISSUED BY Thomas Barker President and General Manager Shelbyville, KY 40065
Name of Officer Title Address

RULES AND REGULATIONS

22. PRIMARY METERING

At any time the Cooperative finds it is more desirable, it may at its own option and expense, install primary metering equipment. The consumer will own and operate all facilities past the metering point.

23. INSPECTIONS

In keeping with 815 KAR 7:020 (16b), Shelby Rural Electric 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.

24. TEMPORARY SERVICE

A member or customer requesting temporary service may be required to pay all cost of construction, removing, connecting, and disconnecting service. Facilities that are temporary in nature such as for construction contractors, sawmills, oil wells, carnivals, fairs, camp meetings, etc., will be provided to consumers making application for same, provided they pay an advance fee equal to the reasonable cost of constructing and removing such facilities along with a deposit (amount to be determined by the Cooperative) 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 customer.

Temporary service used for such construction may only be utilized for a period not to exceed six (6) months after which time the service will be disconnected unless a written extension of time is obtained from the Cooperative.

25. CONSUMER'S LIABILITY

The consumer shall assume full responsibility for service upon his 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, save 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 current by consumer at or on the consumer's side of point of delivery.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE JAN 1 1983 PURSUANT TO 807 KAR 5:011, SECTION 9 (1) BY 9-92

RULES AND REGULATIONS

26. PROTECTION OF THE COOPERATIVE EQUIPMENT

The consumer shall protect the equipment of the Cooperative on his 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 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.

27. 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. 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. New service entrances, both overhead and underground, shall be installed in accordance with the National Electric Safety Code, and the Cooperative shall not connect until the required certificate of approval has been issued by the required Certified Electrical Inspector.

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.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE JAN 1 1983 PURSUANT TO 807 KAR 5:011, SECTION 9 (1) BY:

FOR All Territory Served

P.S.C. Ky. No. 5

Shelby Rural Electric Cooperative Corporation

Original Sheet No. 11

Shelbyville, Kentucky

Cancelling P.S.C. Ky. No. 4

Sheet No.

RULES AND REGULATIONS

28. 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.

29. SERVICES PERFORMED FOR MEMBERS

The Cooperative's personnel shall not while on duty make repairs or perform service to the member's equipment or property except in cases of emergency or to protect the public or member's person or property. When such emergency services are performed, the member shall be charged for such service(s) at the rate of time and material used.

30. METER BASES

Each member shall provide his or her own meter base.

31. METER READING

Each consumer receiving service will read his meter on the 15th day of each month and mark the reading on the combination bill/meter reading card which is mailed on or about the 10th day of each month. The consumer will mail the card, along with payment, by the twenty-fifty (25th) day of each month.

A consumer's meter reading card should reach the Cooperative on or before the twenty-fifty (25th) day following rendering of the initial bill. If the consumer fails to read his meter for three (3) consecutive months, the Cooperative shall read the consumer's meter on the third meter reading date and make a charge of $25.00 for this service.

32. 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 points 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. Only one residence may be served for each meter location.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

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ISSUED BY Thomas Barker (Name of Officer) President and General Manager (Title) Shelbyville, KY 40065 (Address)

Shelby Rural Electric Cooperative Corporation

Shelbyville, Kentucky

RULES AND REGULATIONS

33. FAILURE OF METER TO REGISTER

In the event a member's meter should fail to register, the member shall be billed from the date of such failure based upon the level of consumption at that same time period the year before or some other equitable basis if he was not on service for the same time period the year before.

34. COLLECTION OF DELINQUENT ACCOUNTS

Should it become necessary for the Cooperative to send a serviceman to the consumer's premises for collection of a delinquent account, there will be a service call charge of $25.00 per trip, as stated in the delinquent notice, which 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, a $50.00 service call charge shall be collected for the two trips. After regular working hours, there will be a special charge in the amount of $50.00 in addition to the $25.00 service call charge.

35. 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 form letter, notice of returned check, 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 notice, service to the consumer will be discontinued twenty-seven (27) days after mailing date of the original bill for which such returned check was intended to pay, as prescribed under the section of Rules #21 and #34 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 by having two or more checks returned unpaid from a bank for any reason.

The Cooperative shall not accept a check to pay for and redeem another check or accept a two-party check for cash or payment of an account.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE JAN 1 1983 PURSUANT TO 807 KAR 5:011, SECTION 9 (1) BY:

RULES AND REGULATIONS

36. FRAUDULENT USE

When the Cooperative has discovered evidence that by fraudulent or illegal means, a customer has obtained unauthorized service or has diverted the service for unauthorized use or has obtained same without being properly measured, the service to the customer may be disconnected immediately and without notice. The Cooperative shall not be required to restore service until said 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 customer to ascertain the condition of the meter and service facilities for such customer in order that prior fraudulent use of the facilities, if any, will not be attributed to the new customer, and the new customer shal 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 customer owned portion of the service, if any, have been corrected.

37. 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 amp service. A fused disconnect must 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. This pole shall be located by the Cooperative and the service must comply with the National Electric Safety Code and be inspected as required by state and local laws.

38. LINE EXTENSION TO MOBILE HOMES

A. All extensions up to 150 feet from the nearest facilities shall be made without charge, except for the $25.00 membership fee required of all consumers. The membership fee is refundable upon disconnection of service, after all bills against the account are paid.

B. In counties requiring mobile home zoning, the consumer shall provide a certificate of approval from the county for the mobile home before construction begins.

C. 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. The Cooperative requires that the right-of-way be cleared to any new facility before construction begins.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE JAN 1 1983 PURSUANT TO 807 KAR 5:011, SECTION 9(1) BY:

RULES AND REGULATIONS

38. LINE EXTENSION TO MOBILE HOMES (continued)

D. The consumer shall install his own meter pole and it shall meet the requirements of the National Code as set forth in 807 KAR 2:050, Section 2.

E. Extensions greater than 150 feet from the nearest facility and up to 300 feet shall be made, provided the consumer shall pay the utility a customer advance or construction fee of $50.00 plus the $25.00 membership fee required by all consumers. The $50.00 advance shall be refunded at the end of one year if the service to the mobile home continues for the length of time.

F. For extensions greater than 300 feet and less than 1,000 feet from the nearest facility, the utility will charge an advance of $50.00 plus the cost of construction for the portion of service beyond 300 feet, up to 1,000 feet plus the $25.00 membership fee.

(1) This advance shall be refunded to the consumer over a four year period in equal amounts for each year the service is continued and the refund advance date begins with the 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 advance shall be forfeited.

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

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

G. For extensions greater than 1,000 feet the provisions, as stated in Part F, 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 not less than ten (10) years, which shall be the refund period, that portion over 1,000 feet is subject to refund only if another permanent customer or facility is connected whose service line is directly connected to the extension installed and not to extensions or laterals therefrom. For each customer connected, the utility shall refund to the customer who paid for the extension

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PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE JAN 1 1983 PURSUANT TO 807 KAR 5:011, SECTION 9(1) BY: [signature]

RULES AND REGULATIONS

38. LINE EXTENSION TO MOBILE HOMES (continued)

G. (cont.)

that portion over 1,000 feet but not to exceed the cost of 1,000 feet per customer. In no case shall that refund exceed the total cost of this portion in excess of 1,000 feet of the extension.

H. All mobile homes' meter pole shall be wired and inspected according to the National Code and shall be wired and inspected at the expense of the consumer.

I. Any consumer who puts up a trailer line extension deposit and replaces his trailer with a permanent residence which is connected directly to the line for which the deposit was made, shall be refunded his deposit upon terms and conditions of the line extension policy for permanent residences.

39. RELOCATION OF LINES

When the Cooperative is requested 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 or their relocation.

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

PUBLIC SERVICE COMMISSION
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EFFECTIVE

JAN 1 1983

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SECTION 9(1)

BY: [signature]

RULES AND REGULATIONS

40. A. NORMAL MEMBER SERVICE EXTENSIONS

An extension of one thousand (1,000) feet or less shall be made by Shelby RECC 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 house from the distribution line at the last pole shall not be included in the foregoing measurements. The Cooperative requires that the right-of-way be cleared to any new facility before construction begins.

B. OTHER EXTENSIONS

(1) When an extension of Shelby RECC's line to serve 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 average estimated cost per foot 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 not less than 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 amount refunded exceed the amount paid the Cooperative. After the end of the refund period, no refund will be required to be made.

(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 not less than 10 years the utility 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 utility. After the end of the refund period from the completion of the extension, no refund will be required to be made.

(4) The Cooperative requires that the right-of-way be cleared to any new facility before construction begins. The member may elect to clear the right-of-way to reduce his cost of connection.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE JAN 1 1983 PURSUANT TO 807 KAR 5:011 SECTION 9 (1) BY: [signature]

RULES AND REGULATIONS

41. UNDERGROUND ELECTRIC SERVICE

The purpose of this policy is to formulate Shelby Rural Electric Cooperative's 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:

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 appurtances 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 conductors including placing of raceways under roadways, driveways, or paved areas; providing a sand bedding below and above conductors when required and backfill of trench to ground level.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE JAN 1 1983 PURSUANT TO 807 KAR 5:011, SECTION 9 (1) BY: [signature] 9-92

(continued)

Shelby Rural Electric Cooperative Corporation

Shelbyville, Kentucky

RULES AND REGULATIONS

41. UNDERGROUND ELECTRIC SERVICE (continued)

C. Rights-of-Way and Easements

1. The Cooperative shall construct, own, operate, and maintain distribution lines only along easements, public streets, roads and highways which are by legal right accessible to the utility's equipment and which the utility has the legal right to occupy, and the public lands and 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 utility for operation, maintenance, or replacement of its facilities, and to prevent any encroachment in the utility's easement of substantial changes in grade or elevation thereof.

D. Installation of Underground Distribution System Within New Subdivision

1. Where appropriate contractural 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 judgement, 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 either of which case the differential cost of underground shall be borne by the applicant.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

JAN 1 1983

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

BY: [signature]

(continued)

Shelby Rural Electric Cooperative Corporation

Shelbyville, Kentucky

RULES AND REGULATIONS

41. UNDERGROUND ELECTRIC SERVICE (Continued)

D. (Continued)

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 extra-ordinary or emergency circumstances beyond the reasonable control of the Cooperative.) However, nothing in this policy shall be interpreted to require the Cooperative to extend the 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 herewith as Exhibit A, which shall be updated annually as required by 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 deposit the entire estimated cost of the extension. If this is done, the amount deposited 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, Section 10.

7. The Applicant may be required to perform all necessary trenching and backfilling in accordance with the Cooperative's specifications. The Cooperative shall then credit the Applicant's cost in an amount equal to the Cooperative's normal cost for trenching and backfilling.

8. The Cooperative shall furnish, install and maintain the service lateral to the Applicant's meter base.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE JAN 1 1983 PURSUANT TO 807 KAR 5:011, SECTION 9 (1) BY: [signature]

(continued)

Shelby Rural Electric Cooperative Corporation

Shelbyville, Kentucky

RULES AND REGULATIONS

41. UNDERGROUND ELECTRIC SERVICE (Continued)

D. (Continued)

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 utility 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.

12. All electrical facilities shall be installed and constructed to comply with the rules and regulations of the Public Service Commission, National Electric Safety Code and Shelby R.E.C.C. Specifications.

13. In unusual circumstances, when the application of these rules appears impractical or unjust to either party, or discriminatory to other consumers, the Cooperative or Applicant shall refer the matter to the Commission for special ruling or for the approval of special conditions which may be mutually agreed upon, prior to commencing construction.

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

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 1 1983

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

FOR All Territory Served

P.S.C. Ky. No. 5

Shelby Rural Electric Cooperative Corporation

Original Sheet No. 21

Shelbyville, Kentucky

Cancelling P.S.C. Ky. No. 4

Sheet No.

RULES AND REGULATIONS

42. ELECTRIC SERVICE TO CAMPS AND BARNS, PUMPS, ETC.

A. Before construction begins to a camp, campsite, barn or barnsite, or other services with low usages, the consumer shall have paid a $25.00 membership fee. The membership fee is refundable upon disconnection of service, after all bills against the account are paid.

B. In counties requiring construction permits, the consumer shall present a certificate of approval from the county before the Cooperative begins its construction of a new service.

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

D. Extensions greater than 150 feet from the nearest facility and up to 300 feet shall be made, provided the consumer shall pay the Cooperative a customer advance for construction of fifty dollars ($50.00) in addition to any other charges required by the Cooperative for all consumers, which shall be the $25.00 membership fee. The $50.00 advance shall be refunded at the end of one year if the service to the camp or barn continues for that length of time.

E. For extensions greater than 300 feet and less than 1,000 feet from the nearest facility, the Cooperative will charge an advance of $50.00 plus the cost of construction for that portion of service beyond 300 feet, up to 1,000 feet. Beyond 1,000 feet, the extension policy set forth in Section 10 of the PSC Rules and Regulations apply.

F. This advance shall be refunded to the consumer over a four (4) year period in equal amounts for each year the service is continued and the refund advance date begins with the billing date.

G. If the service is discontinued for a period of sixty (60) days, the remainder of the advance shall be forfeited.

H. No refund shall be made to any consumer who did not make the advance originally.

I. The Cooperative requires that the right-of-way be cleared to any new facility before construction begins. The member may elect to clear the right-of-way to reduce his cost of connection.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
JAN 1 1983
PURSUANT TO 807 KAR 5:011,
SECTION 9(1)
BY: [signature]

DATE OF ISSUE December 1, 1982 (Month Day Year) DATE EFFECTIVE January 1, 1983 (Month Day Year) C 9-92

ISSUED BY Thomas Barker Jr President and General Manager Shelbyville, KY 40065

Shelby Rural Electric Cooperative Corporation

Shelbyville, Kentucky

RULES AND REGULATIONS

43. METER TESTING

Each and every watt-hour meter installed by the Cooperative on consumers' premises shall be tested periodically without charge to the consumer. Any other request for meter test shall be complied with by the Cooperative only if the consumer agrees 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 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 may be billed for the difference for the previous twelve-month period. If the meter tests within the Commission's limits, the $25.00 will be retained to offset the cost of the meter test. Such tests may not be made more frequently than once each twelve (12) months.

44. 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.

45. 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 Distribution Systems. Distributor may require the member or consumer, at his own expense, to install suitable apparatus which will reasonably limit such fluctuation.

46. CONFLICT

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

47. 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.

48. CLASSIFICATION OF CONSUMERS

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

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

JAN 1 1983

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

BY: [signature]

DATE OF ISSUE December 1, 1982 (Month Day Year)

DATE EFFECTIVE January 1, 1983 (Month Day Year)

ISSUED BY Thomas Barber Jr. President and General Manager Shelbyville, Kentucky 4006

FOR All Territory Served

P.S.C. Ky. No. 5

Shelby Rural Electric Cooperative Corporation

Original Sheet No. 23

Shelbyville, Kentucky

Cancelling P.S.C. Ky. No.

Sheet No.

RULES AND REGULATIONS

49. 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 voltage(s) and other system parameters.

Single Phase (volts)
120/240
240/480
7,200
14,400

Three Phase (volts)
120/208Y
240 △
240 △ , 120/240 lighting
277/480Y
480 △
7,200/12,470Y
14,400/24,940Y

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 24 1983

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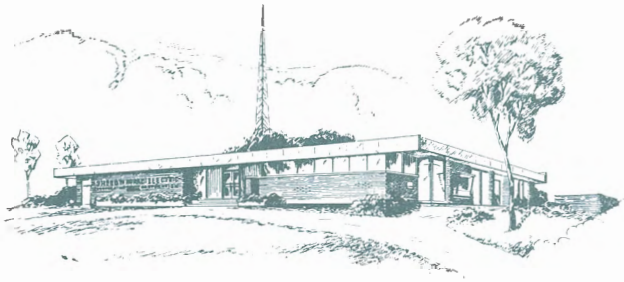
BY: [signature]

DATE OF ISSUE May 1 1983 (Month Day Year)

DATE EFFECTIVE May 1 1983 (Month Day Year)

ISSUED BY Thomas Barker Jr.

C 9-92



Shelby Rural Electric

COOPERATIVE CORPORATION
P.O. BOX 309 SHELBYVILLE, KENTUCKY 40065

Telephones: Shelbyville (502) 633-4420; Bedford (502) 255-3260
New Castle (502) 845-2845

Date: April 23, 1990

AVERAGE UNDERGROUND COST DIFFERENTIAL

(Filed in compliance with Appendix to the Order to the Public Service Commission in Administrative Case Number 146, Dated February 2, 1973.)

Average cost differential of **UNDERGROUND PRIMARY** per foot: **$4.88**

Average Cost Differential of **UNDERGROUND RESIDENTIAL SERVICE** per foot:

Option I: Cooperative to provide complete installation: **$3.81**

Option II: Consumer to trench, install and supply conduit and backfill per Shelby RECC specification. Shelby RECC will supply conductor and other associated facilities to complete the installation: **NO CHARGE.**

NOTE: Above prices do not include rock removal or other procedures which may be taken to assure proper burial depth. If rock is encountered or other procedures are taken to insure proper depth, the actual additional cost shall apply.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 23 1990

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY: George Dale
PUBLIC SERVICE COMMISSION MANAGER

C 7-92