

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF GRAYSON RURAL ELECTRIC )	
COOPERATIVE CORPORATION FOR APPROVAL )	CASE NO.
OF AN AGREEMENT WITH KENTUCKY POWER )	2016-00373
COMPANY FOR DEVIATION OF CERTIFIED )	
TERRITORIAL MAPS ON FILE WITH THE PSC )	

ORDER

On October 24, 2016, Grayson Rural Electric Cooperative Corporation (“Grayson”) filed an application, pursuant to KRS 278.018(6), seeking approval of an agreement between it and Kentucky Power Company (“Kentucky Power”) that would allow Kentucky Power to serve a residence located in Grayson’s certified service territory. This residence is located at 340 Hanshaw Road, Olive Hill, Kentucky, 41164. Pursuant to the executed agreement between Grayson and Kentucky Power, Grayson has received an application from a customer at that address for an electric consuming facility. The agreement states that the provision of service by Grayson at 340 Hanshaw Road, Olive Hill, Kentucky, 41164 would require extending a distribution line of approximately 6,000 feet through treacherous terrain, and that Kentucky Power has existing electrical distribution service located less than 400 feet from that address’s point of service. In its application, Grayson states that service of 340 Hanshaw Road, Olive Hill, Kentucky, 41164 would impose an undue financial burden on Grayson as a result of the nature of the terrain to be traversed for installation of the line. Under the agreement, Kentucky Power agrees to provide electric service to that address

and Grayson waives any claim to service at this location for this service only. No boundary change will occur, and no other customers will be affected by this agreement.

Based on the evidence of record and being otherwise sufficiently advised, the Commission finds that Grayson and Kentucky Power are each retail electric suppliers engaged in the furnishing of retail electric service to consumers within their respective certified territorial boundaries. Pursuant to KRS 278.018, each retail electric supplier has the exclusive right to furnish retail electric service within its certified service territory. KRS 278.018(6) allows a retail electric supplier to contract with another retail electric supplier, subject to Commission approval, for the purpose of allocating consumers between such retail electric suppliers.

The Commission further finds that the proposed allocation of 340 Hanshaw Road, Olive Hill, Kentucky, 41164 promotes the purposes of KRS 278.016 by preventing wasteful duplication of facilities, avoiding unnecessarily encumbering the landscape, minimizing disputes between Grayson and Kentucky Power, and enabling the provision of adequate and reasonable service to all affected areas and consumers. As a result of this agreement, no consumer will experience a change in retail electric supplier and no revision needs to be made to the maps reflecting the certified territorial boundary between Grayson and Kentucky Power.

IT IS THEREFORE ORDERED that the agreement between Grayson and Kentucky Power authorizing Kentucky Power to serve the residence located at 340 Hanshaw Road, Olive Hill, Kentucky, is approved.

By the Commission

ENTERED  
NOV 21 2016  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
Executive Director

Case No. 2016-00373

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