

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES)	
COMPANY FOR AUTHORIZATION OF)	CASE NO.
CHANGES IN SERVICE TERRITORY WITH)	2017-00139
BULE GRASS ENERGY COOPERATIVE)	

ORDER

On March 21, 2017, Kentucky Utilities Company (“KU”) filed an application, pursuant to KRS 278.018(6), for approval of an agreement with Blue Grass Energy Cooperative (“Blue Grass”) to change the certified territorial boundary for two parcels of land. These properties are located at 614 Walnut Grove Lane, Paris, Kentucky, (“Larry Redmon property”) and 363 Cynthiana Millerburg Road, Paris, Kentucky, (“Scott Wells property”). KU submitted an agreement with the application, which was signed by the President and CEO of Blue Grass on February 6, 2017, and the Operations Manager of KU on February 2, 2017, indicating that Blue Grass agreed that KU should serve these properties and that KU was currently providing service to the Scott Wells property.¹

In the application, KU also requested a deviation from 807 KAR 5:001, Section 7(1), which requires that KU file an original unbound and ten additional copies of the site map. Due to the size and scale of the maps, KU requested permission to file only two complete sets of maps.

¹ Application, Exhibit 1 (Ky. PSC Mar. 21, 2017).

Commission Staff issued, and KU responded to one round of discovery. There are no intervenors in this matter, and the case now stands submitted for a decision.

Based on the evidence of record and being otherwise sufficiently advised, the Commission finds that KU was contacted by Blue Grass about the possibility of KU providing service to a new home to be constructed on the Larry Redmon property. Engineers from both companies met and agreed that while access issues prevented Blue Grass from serving the Larry Redmon property, the existing KU distribution lines were easily accessible. During this review, it was discovered that the Scott Wells property was located in Blue Grass territory, although KU had been providing service for the property since May 21, 1997. KU believes that this was probably an oversight, since no written agreement exists as to the property and neither company was aware the property was located in Blue Grass' territory until the present matter came up involving the Larry Redmon property.²

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 and designating which territories and consumers are to be served by which of said retail electric suppliers.

The proposed territorial changes will realign the KU and Blue Grass adjacent certified territorial boundaries. No existing customers will be affected by the proposed changes, nor will the proposed changes require any new or amended franchises or permits.

² Response to Commission Staff's First Request for Information Dated May 4, 2017 (Ky. PSC May 12, 2017).

Having reviewed the application and being otherwise sufficiently advised, the Commission finds that the proposed territorial boundary changes promote the purposes of KRS 278.016 by preventing wasteful duplication of facilities, avoiding unnecessarily encumbering the landscape, minimizing disputes between KU and Blue Grass, and enabling the provision of adequate and reasonable service to all affected areas and consumers.

IT IS THEREFORE ORDERED that:

1. The boundary changes agreed upon by KU and Blue Grass for the Larry Redmon property and the Scott Wells property in Paris, Kentucky, are approved.
2. A copy of the revised Territorial Map with the revisions approved by KU on February 2, 2017, and by Blue Grass on February 6, 2017, is attached hereto as an Appendix to this order, and as it reflects the agreed-upon amended territorial boundary and the written agreement of KU and Blue Grass, it shall be attached to the Commission's official territorial boundary map identified as Millersburg Quadrangle USGS Topo Map.
3. KU's request for deviation from the filing requirements of 807 KAR 5:001, Section 7(1) is approved.

By the Commission

ENTERED
JUN 15 2017
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:

A handwritten signature in blue ink, appearing to be "B. B.", with a horizontal line underneath it.

Executive Director

APPENDIX

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2017-00139 DATED **JUN 15 2017**

**FINAL ORDER
CONTAINS
LARGE OR OVERSIZED
DRAWINGS**

CASE No. 2017-00139

**FINAL ORDER DATED:
06/15/2017**

*Blue Grass Energy Cooperative Corp.
1201 Lexington Road
P. O. Box 990
Nicholasville, KY 40340-0990

*Rick E Lovekamp
Manager - Regulatory Affairs
LG&E and KU Energy LLC
220 West Main Street
Louisville, KENTUCKY 40202

*Sara Veeneman
LG&E and KU Energy LLC
220 West Main Street
Louisville, KENTUCKY 40202

*Kentucky Utilities Company
220 W. Main Street
P. O. Box 32010
Louisville, KY 40232-2010