

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)	2018-00069
KENERGY CORPORATION)	

ORDER

On February 13, 2018, Kentucky Utilities Company (“KU”) filed an application, pursuant to KRS 278.018(6), for approval of an agreement with Kenergy Corporation (“Kenergy”) to change the certified territorial boundary for a single parcel of land located at 1500 State Route 138 West, Rumsey, Kentucky, just north of Kentucky Highway 138 in McLean County, Kentucky, which KU identified as an “[o]pen lot at E.T. Woosley Farms” (hereinafter the “Woosley Farms Property”).¹ KU asserted that the change in certified territory is justified because it will avoid the unnecessary encumbrance of the landscape and duplication of facilities, and will minimize disputes between retail electric suppliers.² KU also requested a deviation from 807 KAR 5:001, Section 7, which sets forth certain filing requirements for this application, to allow it to file only two complete sets of maps due to the size and scale of those maps.³

¹ Application at Exhibit 1 (which contains a contract, maps and a “Territorial Change Information” form containing the referenced information).

² *Id.* at 2–3.

³ *Id.* at 4.

KU explained that Hartshorne Mining, LLC (“Hartshorne”) intends to use the Woosley Farms Property, which is currently located within the KU service territory, as a loadout and dock for its coal mining operation. However, while KU currently has a single-phase primary line near the dock, the line would need to be upgraded to a three-phase primary line in order to provide the requested service at significant cost to Hartshorne. Conversely, Kenergy has a three-phase primary line in the area that could meet Hartshorne's needs.⁴

KU and Kenergy memorialized their agreement as to the change in certified territories in a written contract, which representatives of KU and Kenergy executed. Moreover, maps showing the proposed changes in service territory (“Revised Territorial Maps”), which representatives of KU and Kenergy also signed, were attached to the contract and filed as part of this application.⁵ The Revised Territorial Maps identify the area that will be transferred from KU to Kenergy’s service territory pursuant to the agreement as the area between four points designated on the maps as points A, B, C, and D, and marked those points with GPS coordinates.⁶

KRS 278.018(6) permits retail electric suppliers to contract with one another, subject to Commission approval, for the purpose of allocating territories and consumers

⁴ *Id.* at 2–3.

⁵ *Id.* at Exhibit 1 (which contains the contract and the maps).

⁶ The points are identified on the maps with GPS coordinates as follows:

Location	Lat.	Long.
A	37°31'35.5666"	87°17'20.3991"
B	37°31'37.8829"	87°17'30.8564"
C	37°31'29.9733"	87°17'35.0349"
D	37°21'24.7399"	87°17'25.4323"

between them, and designating which territories and consumers each provider will serve. The Commission is required to approve such a contract “if it finds that the contract will promote the purposes of KRS 278.016 and will provide adequate and reasonable service to all areas and consumers affected thereby.”⁷ The purposes of KRS 278.016, which authorizes exclusive service territories for retail electric suppliers, are: (1) to promote the orderly development of retail electric service; (2) to avoid wasteful duplication and unnecessary encumbering of the land; (3) to prevent the waste of materials and natural resources; (4) to minimize disputes between retail electric suppliers; and (5) for public convenience and necessity.⁸

Here, Kenergy has facilities in place to serve the needs of Hartshorne at the Woosley Farm Property whereas KU would have to upgrade its single-phase line to a three-phase line to provide the requested service. The upgrade necessary for KU to serve Hartshorne would result in a duplication of facilities that would be contrary to the purposes of KRS 278.016. Moreover, KU indicated that the Woosley Farm Property is currently an open lot such that the proposed change will only affect Hartshorne, which is likely to avoid significant costs by the proposed change when it begins operations. Thus, the Commission finds that the proposed territorial boundary change promotes the purposes of KRS 278.016 and will result in the provision of adequate and reasonable service to all areas and consumers affected.

⁷ KRS 278.018(6).

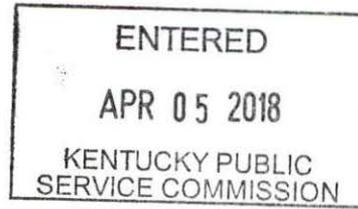
⁸ KRS 278.016.

IT IS THEREFORE ORDERED that:

1. The boundary changes agreed upon by KU and Kenergy for the Woosley Farm Property are approved.
2. Copies of the Revised Territorial Maps, with the revisions signed by representatives of KU and Kenergy on December 8, 2017 and December 15, 2017, respectively, are attached hereto as an Appendix to this Order,⁹ and as it reflects the agreed-upon amended territorial boundary of KU and Kenergy, full-scale copies of the Revised Territorial Maps shall be attached to the Commission's official territorial boundary map.
3. KU's request for deviation from the filing requirements of 807 KAR 5:001, Section 7(1) is approved.

⁹ Full scale copies of the Revised Territorial Maps will be attached to the Commission's territorial boundary map and stored in the case file whereas copies of the maps scaled to fit on 8.5"x11" paper will be attached to this Order.

By the Commission



ATTEST:


Executive Director

Case No. 2018-00069

APPENDIX

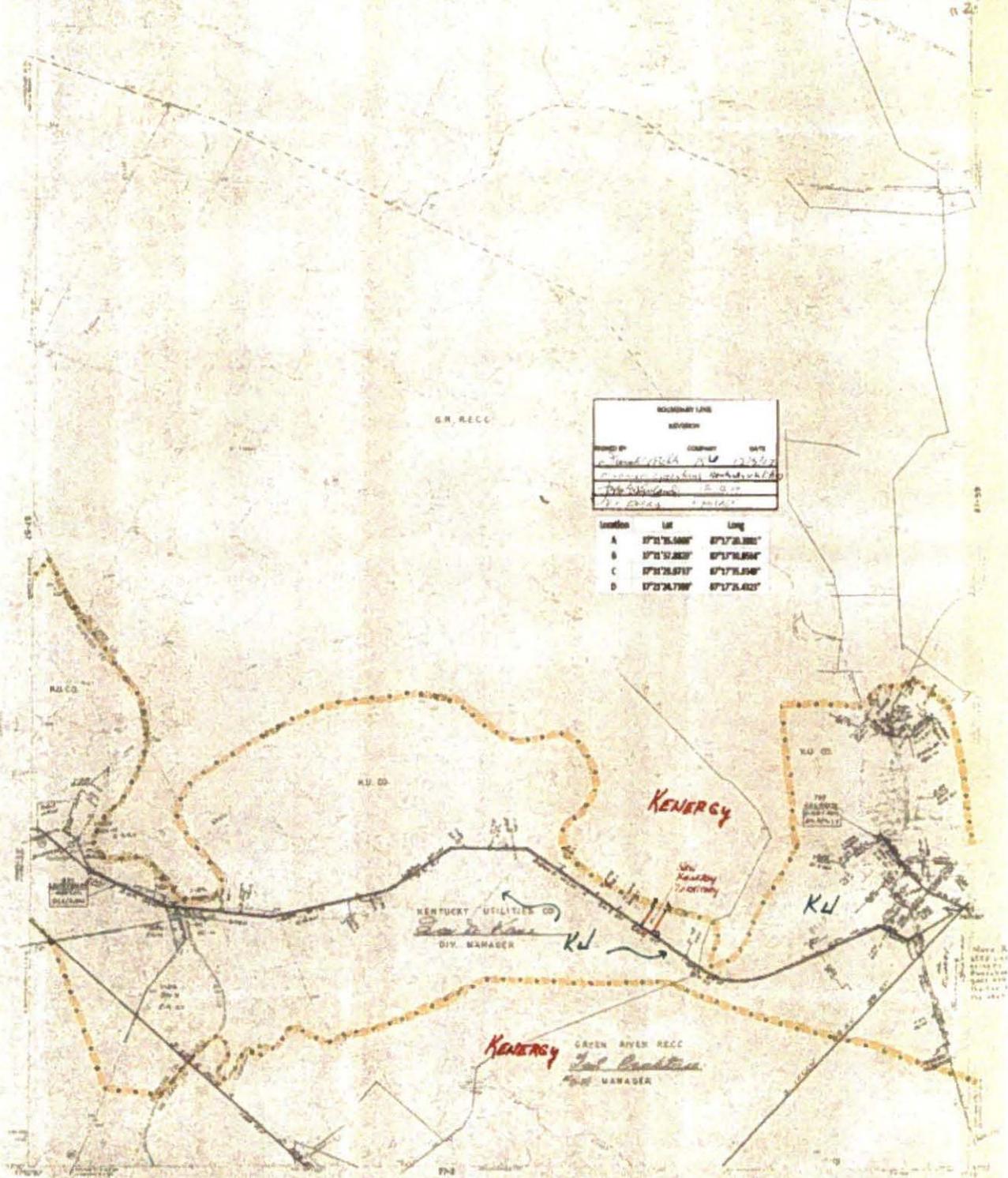
APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2018-00069 DATED

APR 05 2018

GR. RECC

BOUNDARY LINE		
ADJACENT		
POINT NO.	COORDINATES	DATE
1	87°17'31.500" W	12/28/77
2	87°17'31.500" W	12/28/77
3	87°17'31.500" W	12/28/77
4	87°17'31.500" W	12/28/77

Location	Lat	Long
A	87°17'31.500"	87°17'31.500"
B	87°17'31.500"	87°17'31.500"
C	87°17'31.500"	87°17'31.500"
D	87°17'31.500"	87°17'31.500"



UTILITIES
 KENTUCKY UTILITIES CO.
 GREEN RIVER RECC.
 Technical Map
 Reissued By Porter
 1982

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 GREEN RIVER RECC.
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 1982

KENTUCKY UTILITIES COMPANY
 SYSTEM FACILITIES
 WESTERN DIVISION
 3887 CALHOUN MAP
 87-58
 19-G-4

19-G-4

• Quotient Map
 NO. OFFICIAL MAP OF KENTUCKY TO BE USED
 (COMPLY WITH ALL REQUIREMENTS OF THE KENTUCKY
 SURVEYING BOARD) (CONSULT WITH SURVEYING BOARD
 FOR ALL DETAILS)

*Kenergy Corp.
6402 Old Corydon Road
P. O. Box 18
Henderson, KY 42419

*Rick E Lovekamp
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LG&E and KU Energy LLC
220 West Main Street
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Louisville Gas and Electric Company
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