

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SALT RIVER RURAL ELECTRIC COOPERATIVE CORPORATION)	
)	
)	
VS.)	CASE NO. 91-439
)	
LOUISVILLE GAS AND ELECTRIC COMPANY)	
)	
DEFENDANT)	

O R D E R

On November 20, 1991, Salt River Rural Electric Cooperative Corporation ("Salt River") filed a complaint against the Louisville Gas and Electric Company ("LG&E") alleging that LG&E had constructed electrical distribution lines and was serving a development located within the territorial boundary certified to Salt River pursuant to KRS 278.016 - 278.018. LG&E responded to the complaint by alleging that the disputed area was located within LG&E's certified territorial boundary.

On February 4, 1992, an informal conference was held with the parties at Salt River's offices in Mt. Washington, Kentucky. At the conclusion of the informal conference, the parties agreed to conduct good faith negotiations in an effort to settle the boundary dispute.

On June 5, 1992, Salt River filed a motion to dismiss on the grounds that a settlement had been negotiated with LG&E. The settlement agreement, attached to the motion to dismiss,

authorizes Salt River to provide electric service to all buildings constructed in the Chevy Chase development in Mt. Washington, Kentucky, that are six feet west of a line running parallel to Clear Creek Drive. Salt River has also agreed to purchase from LG&E certain distribution facilities at a book cost of \$837 which are being used to provide service to the disputed area. In addition, the parties have agreed that in the event future disputes of this nature should arise, informal negotiations will be conducted in an attempt to resolve such a dispute prior to the filing of a formal complaint at the Commission by either party.

Based on a review of the settlement agreement and being advised, the Commission finds that the agreement is reasonable and should be accepted as a full and complete resolution of the issues raised in Salt River's complaint. The settlement agreement will avoid wasteful duplication of distribution facilities, provide for the public convenience and necessity, minimize disputes between retail electric suppliers and will provide adequate and reasonable service to all affected areas and consumers. The Commission further finds that the parties should file a new certified territorial boundary map for the Mt. Washington, Kentucky, quadrangle.

IT IS THEREFORE ORDERED that:

1. The settlement agreement between Salt River and LG&E, dated May 26, 1992, be and it hereby is approved.
2. Within 20 days of the date of this Order, Salt River and LG&E shall sign and file a new certified territorial boundary map for the Mt. Washington, Kentucky, quadrangle.

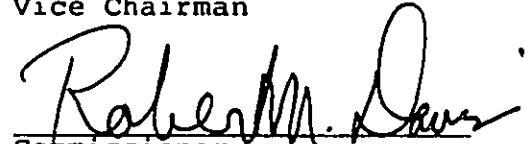
3. Salt River's motion to dismiss be and it hereby is granted.

Done at Frankfort, Kentucky, this 14th day of July, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director, Acting