

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF KENTUCKY UTILITIES)
COMPANY FOR AUTHORIZATION OF CHANGES IN)
SERVICE TERRITORY WITH THE FRANKFORT) CASE NO.
ELECTRIC AND WATER PLANT BOARD, AND THE) 96-243
CLARK, FARMERS, NOLIN, AND OWEN ELECTRIC)
COOPS)

O R D E R

On May 28, 1996, pursuant to KRS 278.018(6)¹ and 807 KAR 5:001 Section 8, Kentucky Utilities Company ("KU") filed its application for Commission approval of changes in certified service territories as agreed individually with the Frankfort Electric and Water Plant Board ("Frankfort Plant Board"), Clark Rural Electric Cooperative ("Clark RECC"), Farmers Rural Electric Cooperative Corporation ("Farmers RECC"), Nolin Rural Electric Cooperative Corporation ("Nolin RECC"), and Owen Electric Cooperative ("Owen Electric").

The proposed changes affect the Magnolia, Frankfort East, Park, Midway, Georgetown, and Mt. Sterling quadrangle maps,² and are more fully described in the Appendix to this Order. KU has asserted that no existing customers were receiving service

¹ KRS 278.018 establishes that each retail electric supplier shall have the exclusive right to furnish retail electric service within its certified territory. KRS 278.018(6) allows retail electric suppliers to contract with another retail electric supplier for the purpose of allocating territories and consumers between such retail electric suppliers.

² Electric utility boundaries are on file with the Commission, and usually, United States Geological Survey quadrangle maps are used as base maps.

in the affected territories at the time of the territorial boundary changes. In all instances but one, the boundary changes are realignments of service territories to conform with property lines. The one exception is the boundary change with Farmers RECC in the Park quadrangle map. In this instance, KU had facilities closer to a customer than Farmers RECC and could, therefore, extend service more economically.

The Frankfort East quadrangle map filed by KU in this proceeding did not reflect the service territory of Fox Creek Rural Electric Cooperative Corporation ("Fox Creek RECC"), as does the current map on file with the Commission. KU was advised of this in an Order dated September 4, 1996, and was requested to provide a revised Frankfort East quadrangle map which shows the boundaries of Fox Creek RECC. On September 24, 1996, KU filed a revised boundary map which shows its boundary with Fox Creek RECC; however, unlike the existing map, this boundary was not signed by a representative for Fox Creek RECC. KU also did not include the boundary between Fox Creek and the Frankfort Plant Board because KU has no knowledge of agreements between these two utilities.

KU's point that it has no knowledge of agreements between other electric companies is well taken. Nevertheless, pursuant to KRS 278.017, the map currently on file with the Commission is considered to reflect the certified territories of retail electric suppliers whether or not KU has knowledge of any agreements.³ KRS 278.010 defines "retail electric suppliers" as any person, firm, corporation, association, or cooperative corporation, excluding municipal corporations, engaged in the furnishing of retail electric service. As the Frankfort Plant Board is a municipal agency, it is not a retail electric supplier as defined by

³ The map currently on file with the Commission was signed by a representative for KU on April 26, 1982.

the statute; therefore, KRS 278.017 does not apply to it. Similarly, the Commission has no jurisdiction over the boundary agreement between the Frankfort Plant Board and KU. However, the Frankfort East quadrangle map currently on file with the Commission reflects the boundary between KU and Fox Creek RECC, both of which are retail electric suppliers as defined by the statute. Therefore, the existing map does reflect the purpose of KRS 278.017.

Accordingly, the Commission declines to supplant the existing Frankfort East quadrangle map with the new map proposed in this proceeding. The Commission recognizes that KU's boundary with the Frankfort Plant Board has informational value and, therefore, will maintain this map with the certified territory maps.

The Commission finds that:

1. The proposed changes to the certified territories of KU, Nolin RECC, Farmers RECC, Owen Electric, and Clark RECC serve the purposes of KRS 278.016 and should be approved.
2. The Commission lacks jurisdiction to approve the territorial agreement between KU and the Frankfort Plant Board.
3. The Magnolia, Park, Midway, Georgetown, and Mt. Sterling quadrangle maps filed in this proceeding should be considered to reflect the certified territories of the utilities depicted thereon and should be maintained in accordance with KRS 278.017.
4. The Frankfort East quadrangle map filed in this proceeding should not be accepted for the purpose of KRS 278.017 but should be maintained for informational purposes.

IT IS THEREFORE ORDERED that:

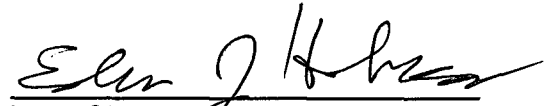
1. The agreements between KU and the Nolin RECC, Farmers RECC, Owen Electric, and Clark RECC are approved.

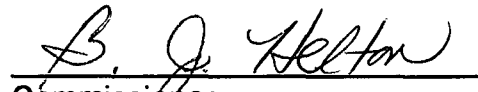
2. The agreement between KU and the Frankfort Plant Board is rejected.

Done at Frankfort, Kentucky, this 10th day of January, 1997.


PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 96-243 DATED JANUARY 10, 1997

Quadrangle Map	Other Utility	Affected Territory	Reason for Change
Magnolia	Nolin Rural Electric Cooperative Corporation	Arvil Roy Subdivision	Realignment with property lines.
Frankfort East	Frankfort Electric & Water Plant Board	The Links Estates	Realignment with property lines.
Park	Farmers Rural Electric Cooperative Corporation	Crop Productions	Least cost of providing service.
Midway	Owen Electric Cooperative	Viley Lane Estates	Realignment with property lines.
Georgetown	Owen Electric Cooperative	Green Lane Gardens	Realignment with property lines.
Mt. Sterling	Clark Rural Electric Cooperative Corporation	La Croix Subdivision & Unit II Williamsburg Estates	Realignment with lot/property lines.