

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TRI-COUNTY FISH AND GAME CLUB)	
)	
COMPLAINANT)	
)	
V.)	CASE NO. 2005-00441
)	
KENTUCKY UTILITIES COMPANY AND)	
KENERGY CORP.)	
)	
DEFENDANTS)	

O R D E R

Tri-County Fish and Game Club (“Tri-County”) initiated this action with a complaint against Kentucky Utilities Company (“KU”) requesting that KU provide Tri-County with electrical service. The “Tri-County Property” consists of about 30 acres of strip-mined land with three open sheds located within the territorial boundary of Kenergy Corp. (“Kenergy”) in Providence, Webster County, Kentucky.

On its own motion, the Commission, deeming Kenergy a necessary party to this action, joined Kenergy as a party to this case. Following negotiation among the parties herein, KU applied for approval of a contract with Kenergy that allocates certain territory and customers, namely Tri-County, between the two retail electric suppliers.

Having reviewed the application and being otherwise sufficiently advised, the Commission finds that:

1. KU furnishes electric service to approximately 484,822 consumers in the Commonwealth of Kentucky, including Webster County, Kentucky, for ultimate consumption.¹

2. Kenergy furnishes electric service to approximately 53,604 consumers in the Commonwealth of Kentucky, including Webster County, Kentucky, for ultimate consumption.²

3. KU and Kenergy are “retail electric suppliers.”³

4. Tri-County is a non-profit corporation in good standing organized under the laws of the Commonwealth of Kentucky.

5. On April 3, 2006, KU and Kenergy entered into an agreement in which they agreed that KU should provide electric service to the Tri-County Property located in Providence, Webster County, Kentucky.

6. The Tri-County Property is located in Kenergy’s certified territory.

7. The proposed agreement between KU and Kenergy does not affect any other portion of the retail electric suppliers’ certified territory.

8. KU’s electric distribution facilities are closest to the Tri-County Property.

¹ Federal Energy Regulatory Commission Financial Report – FERC Form No. 1 for the Period Ending December 31, 2004, Supplemental Electric Information – “Revenues, Customers and KWH Sales for Reporting Year 2004.”

² Annual Report of Kenergy Corp. to the Public Service Commission for the Year Ended December 31, 2004.

³ KRS 278.010(4).

9. Although the property is located in its certified territory, Kenergy cannot provide retail electric service to the property unless Tri-County incurs significant costs to connect with Kenergy's electric facilities.

10. KU has agreed to provide electric service to Tri-County for an indefinite period of time, subject to being terminated upon written notification from Kenergy that Kenergy has facilities in place to provide reliable service to Tri-County at no cost to Tri-County for the service being extended to Tri-County's service point, subject to Commission approval.

11. Kenergy has agreed to allocate the Tri-County Property to KU so that it will become a part of the KU certified territory, and to reinstate the property to Kenergy when service is terminated and Kenergy's service commences, such reversion also being subject to Commission approval.

12. The proposed contract promotes the orderly development of retail electric service and minimizes disputes between retail electric suppliers that would result in inconvenience, diminished efficiency, and higher costs in serving the customer.

13. The proposed contract avoids the wasteful duplication of facilities, unnecessary encumbering of the landscape, and prevents waste of materials and natural resources.

14. The proposed contract promotes the purposes of KRS 278.016 and will provide adequate and reasonable service to the area and consumers that it affects.

15. Good cause exists to grant KU's request for a deviation from 807 KAR 5:001, Section 8(2), to submit fewer than 10 copies of its application.

IT IS THEREFORE ORDERED that:

1. KU is granted a deviation from 807 KAR 5:001, Section 8(2), to submit fewer than 10 copies of its application.
2. The contract between Kenergy and KU to reallocate the Tri-County Property from Kenergy to KU is approved.
3. All other certified territorial boundaries between Kenergy and KU remain unchanged.

Done at Frankfort, Kentucky, this 17th day of May, 2006.

By the Commission

ATTEST:


Executive Director