

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF LOUISVILLE)	
GAS AND ELECTRIC COMPANY FOR)	CASE NO.
AUTHORIZATION OF CHANGES IN SERVICE)	2022-00128
TERRITORY WITH SHELBY ENERGY)	
COOPERATIVE, INC.)	

ORDER

On May 5, 2022, Louisville Gas and Electric Company (LG&E) filed an application, pursuant to KRS 278.018(6), for approval of changes in its certified service territory, the territorial boundary change involves ten parcels of land that are currently located within Shelby Energy Cooperative, Inc.'s (Shelby Energy) service territory.

BACKGROUND

LG&E's application stated that LG&E received a request for service from the owner of 119 L'Esprit Farm Road (upon which LG&E currently serves a barn) for new service for a home to be built on an adjoining parcel. In reviewing the request, LG&E realized that the property in question was located in Shelby Energy's certified territory, and subsequently discovered that several of the nearby properties that LG&E was already serving were also located within Shelby Energy's certified territory or in a "split territory" where a parcel crossed over both LG&E's and Shelby Energy's territories.¹

¹ Application at 3.

LG&E submitted a site map² which depicts all the properties in question encompassed within what is referred to as the Smithfield quadrangle.³ A quadrangle is the area shown on a standard 1:24,000 scale topographic map of the U.S. Geological Survey. LG&E stated that the properties began to be developed into residential homes in the early 1980s, and the development started in the northernmost part of the area within LG&E's designated service territory. LG&E stated that at that time, they constructed distribution facilities capable of serving the development. Over the years, the development progressed slowly with LG&E serving each parcel as it was developed.

LG&E stated that it is currently serving three properties that are wholly located within Shelby Energy's territory: 64 L'Esprit Farm Circle Road, 119 L'Esprit Farm Circle Road and 258 L'Esprit Farm Circle Road. LG&E also proposed to serve Parcel D, which is the adjoining property where the owner of 119 L'Esprit Farm Circle Road now desires to build a residence, and 259 L'Esprit Farm Circle Road (should the owner of that parcel build on it in the future) – both of which are currently located wholly within Shelby Energy's certified territory. LG&E also currently serves five "split" parcels located within both its and Shelby Energy's territory: 298 L'Esprit Farm Road, 315 L'Esprit Farm Road, 457 L'Esprit Farm Road, 1505 L'Esprit Parkway and 1405 L'Esprit Parkway.⁴ All ten of these properties are depicted in LG&E's site map along with the proposed boundary as defined by nine GPS points.

² Application, Exhibit 3.

³ Application, Exhibit 2.

⁴ Application at 3.

Once LG&E discovered that it was mistakenly and in good faith providing service in an area that belonged to Shelby Energy, it contacted Shelby Energy to notify Shelby Energy of the issue. Given that LG&E had existing facilities within the development to serve the new home and that LG&E was already serving the development contained within the Smithfield quadrangle, Shelby Energy concluded that LG&E should provide the new requested service. Shelby Energy also did not object to LG&E continuing to serve the other properties and agreed to submit this territorial change request to the Commission.⁵ The agreement filed with the application as Exhibit 1, modifies the existing territorial boundary map known as the Smithfield quadrangle. The change requested redraws the territorial boundaries to reflect the current status of the service provided for eight of the properties and to allow LG&E to serve the two undeveloped properties in question. LG&E stated that it has provided electric service to this immediate area for approximately 40 years and has existing distribution facilities capable of providing the new service requested.⁶

LEGAL STANDARD

In order to encourage the orderly development of retail electric service, to avoid wasteful duplication of distribution facilities, to avoid unnecessary encumbering of the landscape, to prevent the waste of materials and natural resources, and to minimize disputes between retail electric suppliers which may result in inconvenience, diminished efficiency and higher costs in serving the consumer, Kentucky's legislature divided the state into geographical areas, and established within each area which retail electric

⁵ Application at 3.

⁶ Application at 4.

supplier is to provide the retail electric service.⁷ No retail electric service supplier may furnish retail electric service in the certified territory of another retail electric supplier.⁸ However, a retail electric supplier may contract with another retail electric supplier for the purpose of allocating territories and consumers and designating which territories and consumers are to be served by which retail electric supplier.⁹ Such a contract between retail electric suppliers must be approved by the Commission and the Commission shall approve such a contract if the Commission 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 by the contract.¹⁰

DISCUSSION AND FINDINGS

Based on the evidence of record and being otherwise sufficiently advised, the Commission finds that allowing the requested change to take place will serve the purposes of KRS 278.016 by avoiding unnecessary duplication of facilities, minimizing disputes between retail electric suppliers, and promoting the orderly development of retail electric service. . The proposed territorial change will transfer the ten properties in question contained in the Smithfield quadrangle from Shelby Energy’s service territory to LG&E’s service territory. No existing customers will be negatively affected by the proposed changes, nor will the proposed changes require any new or amended franchises or permits. LG&E has been providing adequate and reasonable service to

⁷ KRS 278.016.

⁸ KRS 278.016.

⁹ KRS 278.018(6).

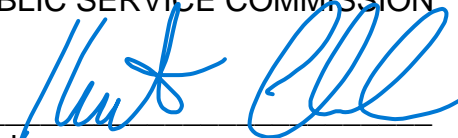
¹⁰ KRS 278.018(6).

eight of the affected properties for many years. A change in retail electric service provider after so many years of service with one provider would be unnecessarily disruptive to the affected customers. Shelby Energy has voluntarily agreed to the territorial change in territory. For these reasons, the Commission finds that LG&E's application shall be approved.

IT IS THEREFORE ORDERED that:

1. The boundary changes agreed upon between LG&E and Shelby Energy as memorialized in Exhibit 1 of the application, and as depicted in the maps in Exhibits 2 and 3 of the application are approved.
2. The service territory boundary between Shelby Energy and LG&E shall be revised by the point coordinates attached as an Appendix to this Order.
3. This case is closed and removed from the Commission's docket.

PUBLIC SERVICE COMMISSION



Chairman

Vice Chairman

Commissioner

ENTERED
JUN 10 2022 rcs
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2022-00128 DATED JUN 10 2022

Smithfield Quadrant

Points Along Proposed Boundary		
Point Number	Easting	Northing
1	1328934.353939	349172.697086
2	1329028.048961	349050.425021
3	1329744.89464	349484.088524
4	1329863.87603	349639.71026
5	1330003.048652	349931.49839
6	1330648.529972	349091.450529
7	1330860.888143	347848.640351
8	1332814.863894	348169.782425
9	1331181.421951	351728.254639

Spatial Reference
Name: NAD 1983 StatePlane Kentucky North FIPS
1601 Feet

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