

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

RUSSELL MURPHY, JR.)	
)	
COMPLAINANT)	
V.)	CASE NO.
)	2014-00106
INTER-COUNTY ENERGY COOPERATIVE)	
CORPORATION)	
)	
DEFENDANT)	

ORDER TO SATISFY OR ANSWER

Inter-County Energy Cooperative Corporation (“Inter-County”) is hereby notified that it has been named as defendant in a formal complaint filed on March 17, 2014, a copy of which is attached hereto. Complainant, Russell Murphy, Jr., is currently a customer of Inter-County and seeks to have his electric service provided by Kentucky Utilities Company (“KU”) instead of Inter-County.¹ Complainant alleges that he has received poor and unreliable service from Inter-County for a number of years.

KRS 278.018(1) provides that a retail electric supplier such as Inter-County has the exclusive right to furnish electric service to all electric-consuming customers located within its certified territory. Inter-County could, pursuant to KRS 278.018(6), contract with KU for the purpose of allocating territories and consumers between the two retail electric suppliers and designating which territories and consumers are to be served by

¹ The complaint also seeks to have the electric service of six of Complainant’s neighbors, who are all located within the city limits of Liberty, Kentucky, switched from Inter-County to KU. Because the six neighbors are not named plaintiffs to the complaint, the instant proceeding will be limited to the allegations as raised by Complainant on his own behalf.

which retail electric supplier. However, the Commission has no statutory authority to change an electric-consuming customer's retail electric supplier unless: (1) the change is agreed to by the two affected retail electric suppliers pursuant to KRS 278.018(6); or (2) a finding is made pursuant to KRS 278.018(3) that a retail electric supplier is not providing adequate service, and that supplier subsequently fails to correct the service inadequacy. Therefore, the Commission is without authority at this time to provide the relief that Complainant is seeking in this matter regarding a change in his status as a customer of Inter-County, because there has been no such agreement nor finding. To the extent that the complaint raises such allegations that Inter-County is not providing adequate service, the Commission in fact does have authority, pursuant to KRS 278.018(3), to investigate whether Inter-County is rendering adequate service to Complainant. Accordingly, the Commission will require Inter-County to satisfy or answer Complainant's allegations relating to the provision of electric service to his residence.

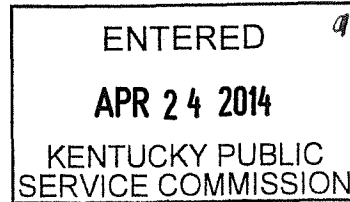
Although the complaint named KU as a co-defendant, the Commission finds that the complaint does not assert a claim against KU, nor does it request any specific relief from KU. Therefore, the proceeding at bar will involve only the claims against Inter-County.

IT IS THEREFORE ORDERED that:

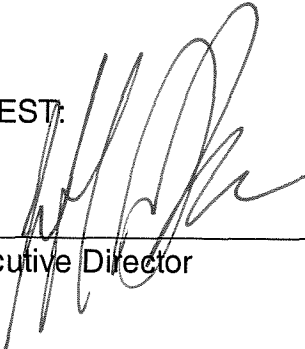
1. Pursuant to 807 KAR 5:001, Section 20, Inter-County shall satisfy the allegations relating to the provision of electric service or file a written answer to the complaint within ten days of the date of service of this Order.

2. Should documents of any kind be filed with the Commission in the course of this proceeding, the documents shall also be served on all parties of record.

By the Commission



ATTEST:



Executive Director

Case No. 2014-00106

COMMONWEALTH OF KENTUCKY

72

BEFORE THE PUBLIC SERVICE COMMISSION

In the matter of:

Russell Murphy Jr.
(Your Full Name)
COMPLAINANT

VS.
Inter-County RECC
& Ky. Utilities
(Name of Utility)
DEFENDANT

RECEIVED
MAR 17 2014
PUBLIC SERVICE
COMMISSION

Case No. 2014-00106

COMPLAINT

The complaint of Russell Murphy Jr.
(Your Full Name) respectfully shows:

(a) Russell Murphy Jr.
(Your Full Name)
1660 N. Wallace Wilkinson Blvd.
(Your Address)

(b) Inter-County RECC (and)
(Name of Utility)
Kentucky Utilities Co.
(Address of Utility)

(c) That: Please find attached paperwork enclosed.
(Describe here, attaching additional sheets if necessary,

the specific act, fully and clearly, or facts that are the reason
and basis for the complaint.)

Continued on Next Page

Formal Complaint

Russell Murphy Jr. vs. Inter-County R.E.C.C. of Ky. Utilities

Page 2 of 2

paperwork attached.

Wherefore, complainant asks _____
(Specifically state the relief desired.)

I want myself and my neighbors located
within the Liberty, Ky. city limits to be
added to K.U. service and deleted from
Inter-County R.E.C.C. This will be a
total of six homes.

Dated at Liberty, Ky.
March 10, 2014, Kentucky, this 10th day
(Your City)

of March, 20 14
(Month)

Russell Murphy Jr.
(Your Signature)

(Name and address of attorney, if any) 3-10-14
Date

*Complaints by corporations or associations, or any other organization having the right to file a complaint, must be signed by its attorney and show his post office address. No oral or unsigned complaints will be entertained or acted upon by the commission.

807 KAR 5:001. Rules of Procedure. Section 19. Formal Complaints.

- (1) **Contents of complaint.** Each complaint shall be headed "Before the Public Service Commission," shall establish the names of the complainant and the name of the defendant, and shall state:
 - (a) The full name and post office address of the complainant;
 - (b) The full name and post office address of the defendant; and
 - (c) Fully, clearly, and with reasonable certainty, the act or thing done or omitted to be done, of which complaint is made, with a reference, if practicable, to the law, order, or administrative regulation section and subsection, of which a violation is claimed, and other matters, or facts, if any, as necessary to acquaint the commission fully with the details of the alleged violation. The complainant shall specifically establish the relief desired.
- (2) **Signature.** The complaint shall be signed by the complainant or his or her attorney, if applicable, and if signed by an attorney, shall show the attorney's post office address. **A complaint by a corporation, association, or another organization with the right to file a complaint, shall be signed by the entity's attorney.**
- (3) **Number of copies required.** When the complainant files his or her original complaint, the complainant shall also file two (2) more copies than the number of persons or corporations to be served.
- (4) **Procedure on filing of complaint.**
 - (a) Upon the filing of a complaint, the commission shall immediately examine the same to ascertain if it establishes a prima facie case and conforms to this administrative regulation.
 1. If the commission is of the opinion that the complaint does not establish a prima facie case or does not conform to this administrative regulation, the commission shall notify the complainant or his or her attorney to that effect, and opportunity shall be given to amend the complaint within a specified time.
 2. If the complaint is not amended within the time or the extension as the commission, for good cause shown, shall grant, the complaint shall be dismissed.
 - (b) If the complaint, either as originally filed or as amended, establishes a prima facie case and conforms to this administrative regulation, the commission shall serve an order upon the person complained of, accompanied by a copy of the complaint, directed to the person complained of and requiring that the matter complained of be satisfied, or that the complaint be answered in writing within ten (10) days from the date of service of the order, provided that the commission may, in particular cases, require the answer to be filed within a shorter or longer period.
- (5) **Satisfaction of the complaint.** If the defendant desires to satisfy the complaint, he or she shall submit to the commission, within the time allowed for satisfaction or answer, a statement of the relief which the defendant is willing to give. Upon the acceptance of this offer by the complainant and with the approval of the commission, further proceedings shall not be taken.
- (6) **Answer to complaint.** If the complainant is not satisfied with the relief offered, the person complained of shall file an answer to the complaint, with certificate of service on other endorsed parties, within the time specified in the order or the extension as the commission, for good cause shown, shall grant.
 - (a) The answer shall contain a specific denial of the material allegations of the complaint as controverted by the defendant and also a statement of new matter constituting a defense.
 - (b) If the answering party does not have information sufficient to enable him or her to answer an allegation of the complaint, the answering party may so state in the answer and place the denial upon that ground.

RECEIVED
March 13, 2014

MAR 17 2014

PUBLIC SERVICE
CITY LIMITS OF

Members of the P.S.C Committee,

I am writing on behalf of myself and my five neighbors located within the city limits of Liberty, Kentucky. I am asking that we be permitted to switch from Inter-County RECC to Kentucky Utilities.

I have homes in Lexington, Kentucky, where I have Kentucky Utilities, and I have homes in Cincinnati, Ohio, where I have Duke Energy. I have never called either of these two service providers and complained about my service. My only complaint is against Inter-County RECC. I cannot count the number of times I have thrown away spoiled food or sit food outside in the cold, in order to keep it from spoiling. All this is because our service lines run through three counties to provide us electricity. The lines run through: Boyle, Lincoln, and Casey counties. It is not practical for us to be getting our electricity provided from such a distance when we have Kentucky Utilities' service all around us. We are surrounded by KU service to the north, south, east, and west. When these outages occur we can look and see KU lights all around us, which is very frustrating. Our six homes sit in a small island serviced by Inter-County while we are located within the city limits of Liberty, Kentucky. We have been without electricity from several hours to several days at a time.

In 2005, after being without electricity for about a week, I filed a complaint with the P.S.C and asked for our homes located within the city limits of Liberty to be switched to KU service. The P.S.C was to investigate and get back to me, but I never heard from the P.S.C.

Now I am asking once again for the P.S.C to switch our homes located in the city limits of Liberty, Kentucky to KU service. Two of the homes that I asked to be switched to KU service in 2005, have now been switched to KU service; which has gotten my attention. In 2005, I was told that these boundaries were "very sacred," but after a local businessman recently bought these two properties they suddenly became serviced by KU. The two homes were bulldozed and now KU lighting stands on this property, which was once serviced by Inter-County RECC. It is sad to think of the number of times that these two home owners sat in the dark and threw away food over a 40 year period, but a businessman can buy this property and it suddenly becomes KU serviced. One of these homeowners was an elderly lady who had a disabled child in the home. Do you really think KU service would be there if these two ladies still owned the homes? These homes sit about two-tenths of a mile south of my home.

A few years ago, a mill north of my home, asked for and received a switch from Inter-County service to KU service. That mill has been gone now for years, yet the homeowner that now resides there is a happy KU customer. The mill receiving KU service proves to me that what is practical and provides better service, can outweigh a boundary. These two utility companies have broken the boundary both to my north and to my south. It seems that these utility companies can do as they wish, according to who is asking. I am also of the opinion that the P.S.C knew nothing or little about this latest switch where the homes were bulldozed. I feel that as residents of the City of Liberty, that we should have been included in this latest switch.

I ask that the P.S.C use the authority that it has been empowered to do, and include the homes in the city limits of Liberty, into the KU service area. I am asking this because we deserve

better service without all the interruptions. I also ask because these utility companies should not be able to pick and choose as to whom they do or do not provide service for. This should be the duty and responsibility of the P.S.C committee. There is a clear discrimination between the business owner and the residential customer, in this situation. This has been proven by the fact that I asked for these homes to be included in KU service area in 2005. I feel our six homes in the city limits deserve the same equal opportunity as these two businessmen received. I hope to do this quietly with the help of the P.S.C, because it is the responsibility of the P.S.C to determine: "expansion or reduction of utility service boundaries." If we are rejected as KU customers my plans are to pursue this matter through the legal system. I have an attorney who is prepared to represent me and prove clear discrimination between the homeowners and the businessmen in this area. Again, I appreciate you looking into this matter and please do the right thing and help us to become KU customers and to receive better service. I have enclosed a letter from our local mayor, who knows our situation and has helped us deal with our outages in the past by providing generators and offering shelter. Thanks.

Sincerely,
Russell Murphy Jr.
N. 1660 Wallace Wilkinson Blvd.
Liberty, KY 42539

City of Liberty

P.O. Box 127 • Liberty, KY 42539

03/13/2014

Russell Murphy
1660 N Wallace Wilkinson Blvd
Liberty, KY 42539

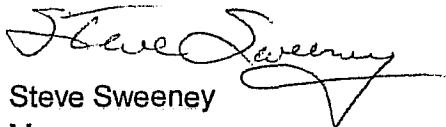
KY Public Service Commission
PO Box 615
Frankfort, KY 40602

To Whom It May Concern:

The City of Liberty is supportive of Russell Murphy having his electric utilities transferred to KU if possible. We understand that he has had lengthy utility outages a number of times. The City has offered to loan generators to him in the past because of those difficulties.

Thank you for your attention to this matter.

Sincerely,


Steve Sweeney
Mayor



City Hall
(606) 787-9973

Utilities
(606) 787-6691

Fax (806) 787-7992

TDD # 1-800-247-2510



This is Inter-County
RECC admitting that
they have broken the
"sacred boundary
lines" twice in the
past.

- Compose
- Inbox (9999+)
- Drafts (1)
- Sent
- Spam (11)
- Trash
- Folders (65)
- Recent
- Messenger
- Contacts
- Calendar
- Notepad
- Yahoo Mail for Mobile

Search results | Delete Move Spam More Collapse All

Supporting documents (9)

Based on the information provided by Inter-County your home is in their service territory so the PSC can't force them to release you as a customer. The following is a copy of the Inter-County's response to your complaint.

Attached are the supporting documents for the PSC complaint 2014-00432. In reference to Mr. Murphy's reference to two instances in Casey County, hopefully this will explain the situation.

The first being the KU service to the Watson Lumber Company. Prior to June 1, 1978 Inter-County RECC furnished power to the Watson Lumber Company in Casey County. The Lumber Company had plans to add a substantial electrical load to their existing operation and it was determined that Inter-County did not have adequate facilities in the area to serve both the current plus additional electrical requirements. On June 1, 1978, Gale Watson of Watson Lumber Company contacted Kentucky Utilities with a request that they furnish the existing and expansion for the Mill. After various communications and an agreement between the two electrical providers and upon the Order of the Public Service Commission (Order No. 1978-7242), this single customer, Watson Lumber Company, was allowed to receive electrical service from Kentucky Utilities.

The second issue of Mr. Murphy's complaint deals with two homes that were being served supposedly within Inter-County's territorial boundaries and when purchased by a Liberty businessman were bulldozed and now KU has extended service into that area. After the homes were removed, it was determined that those two structures had always been located within the KU certified service territory and once removed, that territory was given back to KU. From the map provided, you can see that Inter-County still serves one customer, the Liberty Gas Company, just over the yellow territorial line at the bottom of the map. The area that has been cleared just to the left of that customer is the area that has been bulldozed and it clearly lies within the KU certified service territory.

2 Attachments View all Download all

- image001.gif Download
- PSC Complaint Inte...pdf View Download

Reply, Reply All or Forward | More

- Me** Hi, The second property was Inter-county served for many years
- Me** Mr. Rhody, It is of my opinion that if the two residences in quest
- Rhody, Matt (PSC)** Mr. Murphy, If you do not agree with Inter-Cour
- Me** I would appreciate that so very much. Please send the forms. Th
- Me** Matt, Yes please send the P.S.C. complaint forms. I wish to appe
- Me** Hi Matt, Please send me the P.S.C. complaint forms. I do wish to
- Rhody, Matt (PSC)** The forms were mailed on March 5.
- Me** Thank you so much. I was thinking email rather than postal but tl

[Text Only Version of this page](#) | [Skip navigation and go directly to the page content.](#) | [Bypass the Kentucky.gov navigation bar and go directly to the page content.](#)

KY Public Service Commission

P.O. Box 615, 211 Sower Boulevard, Frankfort, Kentucky 40602-0615

Phone (502) 564-3940, Fax (502) 564-3460, TTY Users. [Simply Web 2000 - Talking Web](#)

PSC Home	Site Map	Contact Us	Individuals with Disabilities	Privacy Statement	Disclaimer
--------------------------	--------------------------	----------------------------	---	-----------------------------------	----------------------------

History of the Kentucky Public Service Commission

The Kentucky Public Service Commission is a three member administrative body with quasi-legislative and quasi-judicial duties and powers regulating over 1,500 utilities. It is funded by an assessment paid by all utilities under the Commission's jurisdiction based on a utility's annual gross intrastate revenues. The Commission, created by the Acts of the 1934 General Assembly, the current version of which forms Chapter 278 of the Kentucky Revised Statutes (KRS), performs its regulatory functions through issuance of written orders, following adjudicative and rulemaking procedures outlined in Chapter 278 and administrative regulations promulgated by the Commission in Chapter 807 of the Kentucky Administrative Regulations (KAR).

Mission of the Public Service Commission

The mission of the Kentucky Public Service Commission is to foster the provision of safe and reliable service at a reasonable price to the customers of jurisdictional utilities while providing for the financial stability of those utilities by setting fair and just rates, and supporting their operational competence by overseeing regulated activities.

Scope of the Commission Regulation

Currently, the Commission regulates the intrastate rates and services of investor-owned electric, natural gas, telephone, water and sewage utilities, customer-owned electric and telephone cooperatives, water districts and associations, and certain aspects of gas pipelines. The following are some of the areas for which the Commission has regulatory responsibility:

1. Rate increase or reduction.
2. Expansion or reduction of utility service boundaries.
3. Construction and operation of utility facilities.
4. Meter accuracy.
5. Operating conditions of a utility.
6. Management audits.
7. Valuation of utility property.
8. Natural gas and coal purchasing practices.
9. Issuance or assumption of securities by a utility.
10. Consumer complaints.
11. Compliance with service and safety regulations.

Commission Administration

The Public Service Commission consists of three members appointed by the Governor to 4-year staggered terms, with one commissioner appointed to act as Chairman and another as Vice Chairman. The Commission

appoints an Executive Director who is responsible for the daily operation of the Commission. At present, there are five divisions under the supervision of the Executive Director.

The Regulatory Process

The Commission processes approximately 700 cases a year, of which approximately 40% are rate cases. Once an issue is placed before the Commission, hearings are conducted to obtain input from all parties involved. These hearings are governed by the rules of the Public Service Commission and may be undertaken by any one or more Commissioners, or a hearing examiner designated by the Commission. The Commission may issue subpoenas, take depositions of witnesses, administer oaths and examine witnesses as part of the hearing procedure. Upon conclusion of hearings, all information is evaluated and an order is issued reflecting the Commission's decision. If a decision is challenged, a rehearing may be scheduled, where the party seeking to set aside any ruling by the Commission has the burden of proof to show that the rule is unreasonable or unlawful; otherwise, the Commission order is final and binding unless overturned in a civil court of law.

Rate Case Procedures

Upon filing of application for a rate adjustment, the Commission establishes a case and may suspend the rate adjustment for five months while it holds hearings as to the reasonableness of the requested rates. During the process of determining the validity of a proposed rate adjustment, the Commission may hold hearings in its effort to come to a conclusion. At any hearing involving rate adjustments, the burden of proof is on the utility to prove that the proposed rate is just and reasonable.

Service and Safety Regulations

The Commission has developed an extensive set of regulations concerning services and safety aspects of a utility's operations. The Commission is charged with the responsibility to monitor and oversee adherence to service and safety regulations in the following areas:

1. Gas service and safety to homes and businesses.
2. Gas transmission pipeline service and safety.
3. Electric service and safety.
4. Telephone service.
5. Water service and safety.
6. Sewage service and safety.

For More Information

Contact the PSC Public Information Office, (502) 564-3940 or e-mail our Public Information Officer at psc.info@ky.gov

PSC Home	Site Map	Contact Us	Individuals with Disabilities	Privacy Statement	Disclaimer
--------------------------	--------------------------	----------------------------	---	-----------------------------------	----------------------------

Today is Sunday, March 09, 2014.

Revised September 28, 2006

J. Hadden Dean
Sheehan Barnett Dean Pennington Little & Dexter
116 North Third Street
P.O. Box 1517
Danville, KENTUCKY 40423

James L Jacobus
President & CEO
Inter-County Energy Cooperative Corporation
1009 Hustonville Road
P. O. Box 87
Danville, KY 40423-0087

Russell Murphy, Jr.
1660 N. Wallace Wilkinson Blvd.
Liberty, KENTUCKY 45239

Ed Staton
VP - State Regulation and Rates
Kentucky Utilities Company
220 W. Main Street
P. O. Box 32010
Louisville, KY 40232-2010