

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION AND COMPLAINT OF GRAYSON)
RURAL ELECTRIC COOPERATIVE)
CORPORATION FOR A DECLARATION OF) CASE NO.
ITS EXCLUSIVE RIGHT PURSUANT TO) 2015-00131
KRS 278.018(1) TO SERVE THOSE PORTIONS)
OF THE VALLEY VIEW SUBDIVISION IN CARTER)
COUNTY, KENTUCKY LYING WITHIN ITS)
CERTIFIED TERRITORY IN LIEU OF KENTUCKY)
POWER COMPANY)

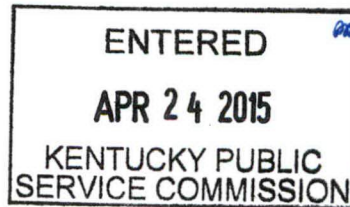
ORDER TO SATISFY OR ANSWER

Kentucky Power Company ("Kentucky Power") is hereby notified that it has been named as defendant in a formal complaint filed on April 6, 2015, a copy of which is attached hereto.

Pursuant to 807 KAR 5:001, Section 20, Kentucky Power is HEREBY ORDERED to satisfy the matters complained of or file a written answer to the complaint within ten days of the date of service of this Order.

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

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

APR 06 2015

PUBLIC SERVICE
COMMISSION

In the Matter Of:

Petition and Complaint of Grayson Rural Electric)
Cooperative Corporation for a Declaration of Its)
Exclusive Right Pursuant to KRS 278.018(1) to Serve)
Those Portions Of The Valley View Subdivision in)
Carter County, Kentucky Lying Within Its Certified)
Territory in Lieu Of Kentucky Power)

Case No.

2015- 00131

COMPLAINT AND PETITION

Grayson Rural Electric Cooperative Corporation (Grayson) petitions the Public Service Commission of Kentucky pursuant to KRS 278.016 to KRS 218.018, KRS 278.260, and KRS 278.040 for an order: (a) declaring that Kentucky Power Company (Kentucky Power) is providing electric service in violation of KRS 278.018(1) to approximately eleven residences located in the Valley View subdivision in Carter County Kentucky (b) declaring that Grayson has the exclusive right to provide retail electric service to the residences determined to be outside of Kentucky Power's certified territorial area within the Valley View subdivision; and (c) directing Kentucky Power to maintain records during the pendency of this action and a reasonable period thereafter of service rendered to the residents identified as being inappropriately served by Kentucky Power that are the subject of this complaint. In support thereof, Grayson states:

Jurisdiction

1. This is an action by Grayson pursuant to KRS 278.016-218.018 to enforce the certified territory statutes of the Commonwealth, under KRS 278.260 to adjudicate complaints "as to the rates and service of any utility," and its general regulatory authority under KRS 278.040 with respect to utilities providing service in the Commonwealth.

Parties

2. Grayson is a cooperative corporation organized under the laws of the Commonwealth of Kentucky in 1950 and is regulated as a utility by the Commission. A certified copy of the Articles of Incorporation is already on file with the PSC having been filed in Action No. 2010-00489. The mailing address of Grayson is 109 Bagby Park, Grayson, Kentucky, 41143. Grayson is a member of East Kentucky Power Cooperative, Inc., and provides retail electric service in portions of five counties in northeastern Kentucky. Grayson's certified territory is next to Kentucky Power's territory.

3. Kentucky Power is an electric utility organized as a corporation under the laws of the Commonwealth of Kentucky in 1919. Kentucky Power is engaged in the generation, purchase, transmission, distribution, and sale of electric power. Kentucky Power serves approximately 173,000 customers in twenty counties in eastern Kentucky. Kentucky Power also supplies electric power at wholesale to other utilities and municipalities in Kentucky for resale. A copy of this petition and complaint is being served on Kentucky Power's Registered Agent CT Corporation System, 306 West Main Street, Suite 512, Frankfort, KY 40601.

Background

4. The area in dispute lies in Carter County Kentucky. Namely the area in dispute is just south of Interstate 64 and can be accessed from Valley View Road which is off of State Hwy 1910.

5. Kentucky Power's continued service to certain residences in this area constitutes an unlawful encroachment on Grayson's territorial area.

The Certified Territory Map

6. Kentucky has enacted Kentucky's Certified Territory Law, KRS 278.016-278.018.

Pursuant to KRS 278.017(2) retail electric suppliers were required to file with the Commission on or about June 16, 1972 maps showing the retail electric suppliers then existing distribution lines. The law required that maps of the certified territory of each retail electric supplier, were to be prepared and filed with the Commission. No retail electric supplier shall provide service in the certified territory of another supplier.

7. As shown on the map of the certified territory of Grayson, certain residences in the Valley View subdivision lie within Grayson's exclusive territory.

Facts and Argument

8. Kentucky Power is providing retail electric service to residences in the Valley View subdivision that are within Grayson's service territory. A map showing the area is attached hereto as Exhibit A.

9. Grayson contacted Kentucky Power about the aforementioned violation of KRS 278.018(1) but Kentucky Power continues to provide service to residences within the Valley View subdivision.

10. Kentucky Power's transmission infrastructure in the area interferes with Grayson's ability to provide retail electric distribution service to the residences in its service territory.

11. Kentucky Power's current service to residences within Grayson's certified service territory is contrary to law and the policies underlying Kentucky's Certified Territory Law. Kentucky Power's service beyond the confines of its service territory results in duplication of facilities, unnecessary blight on the landscape in the area, and is an inefficient use of resources. Kentucky Power's actions described above result in inefficient distribution of electricity and in higher costs in the area.

12. Kentucky Power continues to provide and sell electric service to customers outside its territory and in violation of Kentucky law. Kentucky Power has been on notice of this violation but has failed to abate its actions.

13. Kentucky Power cannot be allowed to benefit from its knowing and willful violation of the law. KRS 278.990(1) makes such violation a punishable offense and Grayson is entitled to recover the amounts charged by Kentucky Power in willful violation of the law.

Wherefore, Grayson requests:

1. Entry of an order from the Commission declaring that Kentucky Power's provision of retail electric service to certain residences within the Valley View Subdivision in Grayson's certified territory was in violation of KRS 278.018(1);

2. Entry of an order from the Commission declaring that Grayson has the exclusive right to provide retail electric service to the residences in the Valley View Subdivision within Grayson's certified territory;

3. Entry of an order from the Commission requiring Kentucky Power to maintain records during the pendency of this action, and for a reasonable period thereafter, of service rendered to the residences that are the subject of this complaint; and

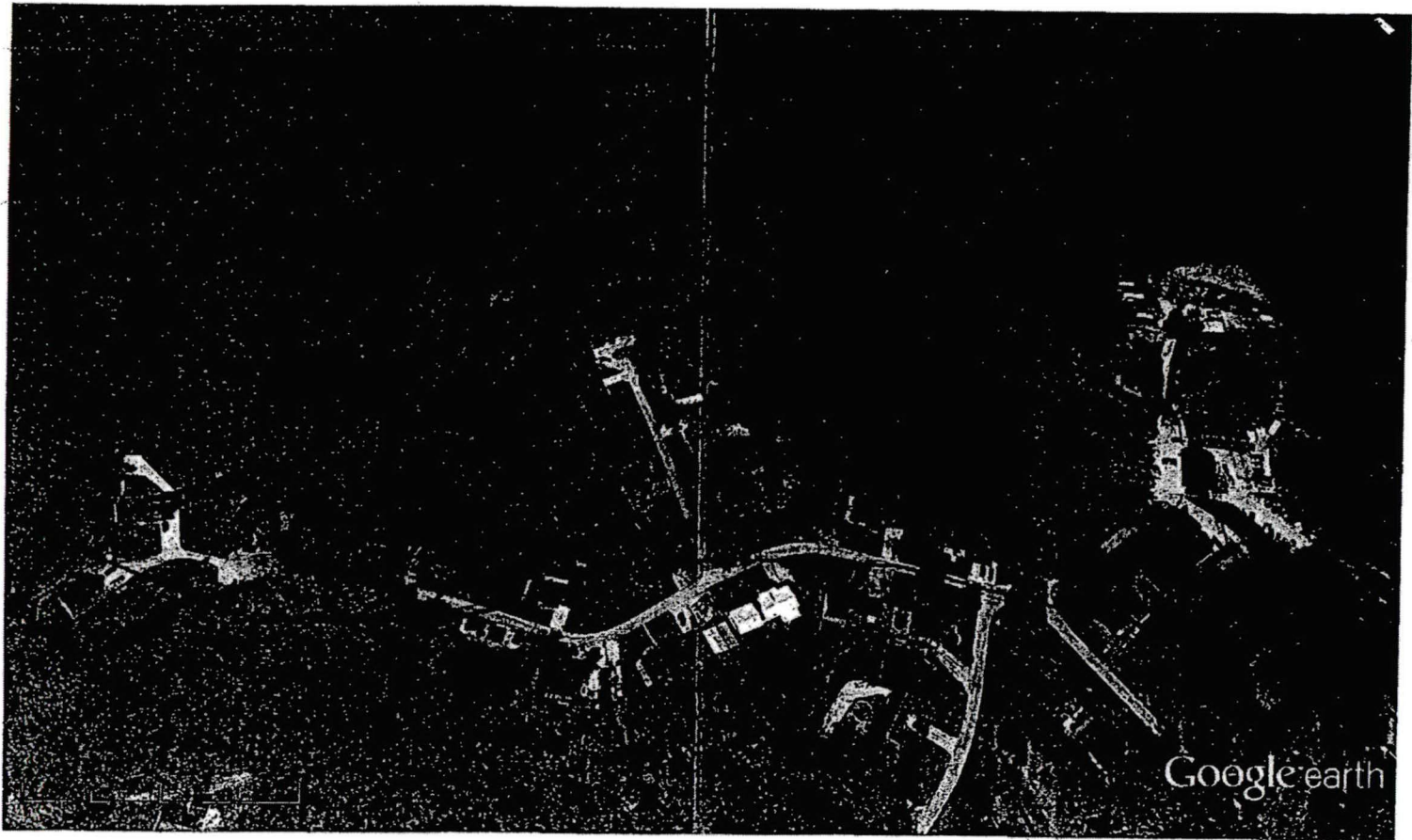
4. That the Commission grant Grayson such further relief to which it may appear to be entitled.

RESPECTFULLY SUBMITTED,

W. JEFFREY SCOTT, P.S.C.

BY: _____

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Google earth

feet
meters



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