

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF SHELBY ENERGY)	
COOPERATIVE, INC. FOR)	CASE NO.
AUTHORIZATION OF CHANGES IN)	2018-00310
SERVICE TERRITORY WITH BLUE GRASS)	
ENERGY COOPERATIVE CORPORATION)	

ORDER

On September 10, 2018, Shelby Energy Cooperative, Inc. (Shelby Energy) filed an application, pursuant to KRS 278.018(6), for approval of an agreement with Blue Grass Energy Cooperative Corporation (Blue Grass Energy) to change the certified territorial boundary for a single parcel of land located off Lebanon Road in Shelby/Franklin County, Kentucky, Shelby County Parcel ID #104-00-020, which Shelby Energy identified as the “Snook property” (Snook Property).¹ Shelby Energy asserted that: the change in certified territory is justified because Blue Grass Energy’s existing distribution facilities are closer to the Snook Property; Blue Grass Energy has confirmed those facilities are adequate and capable of providing dependable, high-quality service to this property; and that Blue Grass Energy’s service to this parcel will avoid unnecessary duplication of distribution facilities.²

Shelby Energy and Blue Grass Energy memorialized their agreement as to the change in certified territories in a written contract, which representatives of Shelby Energy

¹ Application at 2–3.

² *Id.* at 3.

and Blue Grass Energy executed.³ Moreover, Shelby Energy has provided a map showing the proposed changes to the service territory (Revised Territorial Map), which representatives of Shelby Energy and Blue Grass Energy also signed.⁴ The Revised Territorial Map identifies the area that will be transferred from Shelby Energy to Blue Grass Energy’s service territory pursuant to the agreement as the area between five points designated on the map as points F, G, H, I, and J, and marked those points with GPS coordinates.⁵

KRS 278.018(6) permits retail electric suppliers to contract with one another, subject to Commission approval, for the purpose of allocating territories and consumers between them, and designating which territories and consumers each provider will serve. The Commission is required to approve such a contract “if it 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 thereby.”⁶ The purposes of KRS 278.016, which authorizes exclusive service territories for retail electric suppliers, are: (1) to promote the

³ Shelby Energy’s Response to Commission Staff’s Second Request for Information (Staff’s Second Request), Exhibit A.

⁴ Shelby Energy’s Response to Commission Staff’s First Request for Information (Staff’s First Request), Exhibit A.

⁵ The points are identified on the maps with GPS coordinates as follows:

CURRENT BOUNDARY COORDINATES	PROPOSED AMENDED COORDINATES
A: 38.304865, -84.979728	F: 38.305683, -84.979578
B: 38.304373, -84.97904	G: 38.306419, -84.979307
C: 38.304077, -84.977651	H: 38.307107, -84.979035
D: 38.305542, -84.976571	I: 38.306895, -84.977968
E: 38.306452, -84.97589	J: 38.30672, -84.97701

⁶ KRS 278.018(6).

orderly development of retail electric service; (2) to avoid wasteful duplication and unnecessary encumbering of the land; (3) to prevent the waste of materials and natural resources; (4) to minimize disputes between retail electric suppliers; and (5) for public convenience and necessity.⁷

Here, New Cingular Wireless PCS, LLC, obtained a lease from the owners of the Snook Property on March 6, 2017.⁸ On June 15, 2018, New Cingular Wireless assigned their lease on the property to Uniti Towers, LLC, an agent of New Cingular Wireless.⁹ New Cingular Wireless and Uniti Towers, LLC, plan to construct a cell phone tower on the Snook Property. Currently, neither Shelby Energy nor Blue Grass Energy provide service to any portion of the Snook Property and it is not believed that the Snook Property has ever received electrical service.¹⁰ A staking technician for Shelby Energy determined that Blue Grass Energy's lines were closer and more convenient to the proposed location of the cell phone tower site on the Snook Property, and after conferring with Blue Grass Energy, Shelby Energy requested the territory change.¹¹

The Commission finds that the proposed territorial boundary change promotes the purposes of KRS 278.016 and will result in the provision of adequate and reasonable service to all areas and property owners affected.

⁷ KRS 278.016.

⁸ Shelby Energy's Response to Staff's Second Request, at 2.

⁹ *Id.*

¹⁰ *Id.*

¹¹ Shelby Energy's Response to Staff's First Request, at 1.

IT IS THEREFORE ORDERED that:

1. The boundary changes agreed upon by Shelby Energy and Blue Grass Energy for the Snook Property are approved.

2. Copies of the Revised Territorial Map, with the revisions signed by representatives of Shelby Energy and Blue Grass Energy on October 5, 2018, are attached hereto as an Appendix to this Order,¹² and as it reflects the agreed-upon amended territorial boundary of Shelby Energy and Blue Grass Energy, full-scale copies of the Revised Territorial Map shall be attached to the Commission's official territorial boundary map.

3. Within 20 days of the date of entry of this Order, Shelby Energy shall file with the Commission a geologic map at a scale of 1:24,000 (1 inch = 2,000 feet) for the Polsgrove quadrangle, showing the revised territorial line with a note referencing the property and the date of the territorial agreement that has been signed by representatives of Shelby Energy and Blue Grass Energy.

4. Documents filed pursuant to ordering paragraph 3 shall reference this case number and shall be retained in the post-case correspondence file.

5. This case is closed and removed from the Commission's docket.

¹² Full-scale copies of the Revised Territorial Map will be attached to the Commission's territorial boundary map and stored in the case file, whereas a copy of the map scaled to fit on 8.5"x11" paper will be attached to this Order.

By the Commission

ENTERED
DEC 17 2018
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:

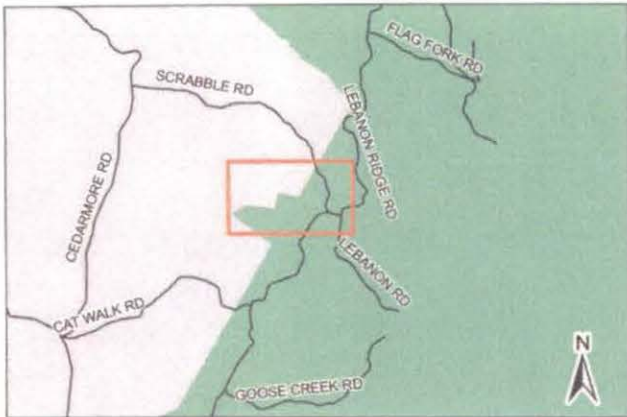

Executive Director

Case No. 2018-00310

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2018-00310 DATED **DEC 17 2018**

[ONE PAGE TO FOLLOW]



**PROPOSED NEW
TERRITORY BOUNDARY**



Territory Boundary Coordinates	
Point	Coordinates
A	38.304865, -84.979728
B	38.304373, -84.97904
C	38.304077, -84.977651
D	38.305542, -84.976571
E	38.306452, -84.97589
F	38.305683, -84.979578
G	38.306419, -84.979307
H	38.307107, -84.979035
I	38.306895, -84.977968
J	38.30672, -84.97701



**PSC TERRITORY MAP
AND GPS COORDINATES**



Coordinate System: NAD 83 StatePlane Kentucky North FIPS 1601 Feet
 Projection: Lambert Conformal Conic
 Datum: North American 1983
 False Easting: 1,540,416.6667
 False Northing: 0.0000
 Central Meridian: -84.2500
 Standard Parallel 1: 38.9667
 Standard Parallel 2: 38.9667
 Latitude Of Origin: 37.5000
 Units: Foot US

Sources:
 ESRU
 Kentucky Department of Transportation (KYDOT)
 Kentucky Public Service Commission (PSC)
 Shelby County PMA

CURRENT BOUNDARY COORDINATES	PROPOSED AMENDED COORDINATES
A: 38.304865, -84.979728	F: 38.305683, -84.979578
B: 38.304373, -84.97904	G: 38.306419, -84.979307
C: 38.304077, -84.977651	H: 38.307107, -84.979035
D: 38.305542, -84.976571	I: 38.306895, -84.977968
E: 38.306452, -84.97589	J: 38.30672, -84.97701

*NOTE: THE LETTER OF AGREEMENT BETWEEN SHELBY ENERGY AND BLUE GRASS ENERGY WAS DATED JULY 17, 2018 AND SIGNED BY GREG HARRINGTON WITH BLUE GRASS ENERGY ON JULY 31, 2018

SNOOK PROPERTY
 SHELBY COUNTY PARCEL ID# 104-00-020
 LEBANON RD, FRANKFORT KY 40601

 **Shelby Energy Cooperative**
 A Touchstone Energy Cooperative 

PROPOSED TERRITORY AMENDMENT		EXHIBIT
Drawn By: Brian Richardson, Staking Technician, Shelby Energy		B
SEC Coop Representative: 	Date: 10-5-18	
BOE Representative: 	Date: 10-5-18	

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*Shelby Energy Cooperative, Inc.
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Shelbyville, KY 40065