

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY)	
UTILITIES COMPANY FOR AUTHORIZATION)	CASE NO.
OF CHANGES IN SERVICE TERRITORY)	2020-00135
WITH FARMERS RURAL ELECTRIC)	
COOPERATIVE CORPORATION)	

ORDER

On April 27, 2020, Kentucky Utilities Company (KU) filed an application, pursuant to KRS 278.018(6), for approval of an agreement with Farmers Rural Electric Cooperative Corporation (Farmers RECC) to change the certified territorial boundary at 463 Guthrie Street, Horse Cave, Kentucky. Odell Robertson, one of the property owners at 475 Guthrie Street in Horse Cave, Kentucky, requested that KU provide electric service to a trailer home located on the property. Presently, the residence at 475 Guthrie Street is being served by Farmers RECC and the trailer is located within KU's territorial boundaries. The trailer home is not Mr. Robertson's residence, but is occupied by tenants and has a separate mailing address of 463 Guthrie Street.¹ The occupants of the trailer home have been using a generator to provide its own electrical service.

Prior to requesting the territorial change, KU attempted to provide service to the trailer by developing several options. Each option proved not to work. First, KU attempted to obtain an easement that would be necessary for KU to provide the requested service,

¹ KU's Response to Commission Staff's Initial Request for Information, Item 1.

but the owner of the neighboring property denied KU's request for an easement.² KU then assessed the possible use of an existing road easement. KU determined that the easement was too narrow and would place KU equipment too close to the road.³ Lastly, KU studied the costs to the owner of establishing a new, longer route which would necessitate establishing new easements and installing new poles and a line. KU discovered that this would have the effect of causing significant expense to the owner.⁴ Farmers RECC has existing single phase primary service positioned just north of this property, and is able to supply electric service to the customer by setting up one or two span extensions.⁵ KU and Farmers RECC have agreed to redraw the certified territorial boundary to carve out approximately two acres of the existing property's 12.96 acres.⁶ Given Farmers RECC's existing infrastructure in the area, Farmers RECC could provide the requested service more easily than KU and without burdening the property owner with significant expense.⁷

KU has provided a copy of the agreement that described the requested change in certified territories that was signed and dated by representatives of KU and Farmers RECC. Also, KU has provided two maps showing the proposed changes to the service

² Application at 3.

³ *Id.*

⁴ *Id.*

⁵ *Id.*

⁶ *Id.*

⁷ KU's Response to Commission Staff's Initial Request for Information, Item 2.

territory. The maps were signed and dated by KU on January 8, 2020, and by Farmers RECC on December 17, 2019⁸.

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.” The purposes of KRS 278.016, which authorizes exclusive service territories for retail electric suppliers, are (1) to promote the 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.

The Commission finds that the proposed territorial boundary change promotes the purposes of KRS 278.016. The agreement between KU and Farmers RECC to change the certified territorial boundary minimizes a potential dispute between retail electric suppliers, which may have resulted in inconvenience, diminished efficiency, higher cost to the consumer, avoids wasteful duplication of facilities, avoids unnecessary

⁸ The boundary change is on the topographic map of Horse Cave, KY, 1:24,000 United States Geological Survey, and is defined by the following Kentucky State Plane Coordinates, South Zone:

Point 1 (1951295.32 N, 1596269.84 E),

Point 2 (1950984.74 N, 1596163.90 E),

Point 3 (1951082.48 N, 1595909.91 E),

Point 4 (1951370.44 N, 1596008.13 E).

encumbering of the landscape, and provides adequate and reasonable service to all areas and property owners affected.

IT IS THEREFORE ORDERED that:

1. The boundary changes agreed upon by KU and Farmers RECC at 463 Guthrie Street, Horse Cave, Kentucky, are approved.
2. This case is closed and removed from the Commission's docket.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

By the Commission



ATTEST:



Acting Executive Director

*Farmers R.E.C.C.
504 South Broadway
P. O. Box 1298
Glasgow, KY 42141-1298

*Rick LoveKamp
Kentucky Utilities Company
220 W. Main Street
P. O. Box 32010
Louisville, KY 40202

*Sara Judd
LG&E and KU Energy LLC
220 West Main Street
Louisville, KENTUCKY 40202

*Kentucky Utilities Company
220 W. Main Street
P. O. Box 32010
Louisville, KY 40232-2010