

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF OWEN)	
ELECTRIC COOPERATIVE, INC. FOR)	CASE NO.
AUTHORIZATION OF CHANGES IN SERVICE)	2021-00229
TERRITORY WITH KENTUCKY UTILITIES)	
COMPANY)	

ORDER

On October 13, 2021, Owen Electric Cooperative, Inc. (Owen Electric) filed an application, pursuant to KRS 278.018(6), for approval of an agreement with Kentucky Utilities Company (KU) to change the certified territorial boundary at 150 Timberbrook Lane, Sparta, Kentucky, in Gallatin County. Mr. James Dingle requested an extension of electric service for a new home to be built at 150 Timberbrook Lane, Sparta, Kentucky. Owen Electric states that this tract of land currently falls within Owen Electric's certified territory.¹ Further, Owen Electric states that KU presently provides electrical service to houses within KU's service territory on the northern side of Timberbrook Lane, and can extend service from its primary distribution line across the street to serve Mr. Dingle's new home.² Owen Electric maintains that its nearest primary distribution line is over 2,300 feet away and would have to travel across an adjacent property requiring an easement

¹ Application at 2.

² *Id.*

and right-of-way clearing which the existing adjacent property owner has been reluctant to grant.³

Owen Electric argues that Mr. Dingle's cost to receive electrical service would be substantially higher in having Owen Electric to serve the new house compared to KU.⁴ Owen Electric estimates that because of the distance involved and the absence of existing facilities, Mr. Dingle would be required to pay \$12,108.04 for the extension of Owen Electric's service to his property.⁵ Additionally, Owen Electric provides a cost estimate from KU indicating KU would not charge Mr. Dingle to extend service to his property because the line extension required is less than 1,000 feet from KU's existing facilities.⁶ The cost estimate states that the costs of services provided by KU are an estimate and are valid for 60 days from the quote date of October 6, 2021.⁷

LEGAL STANDARD

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."⁸ The purposes of KRS 278.016, which

³ *Id.*

⁴ *Id.*

⁵ Application, Exhibit 2 at 1.

⁶ *Id.* at 2.

⁷ *Id.*

⁸ KRS 278.018(6).

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.

DISCUSSION

Owen Electric has provided a copy of the agreement which described the requested change in certified territories. The agreement is signed and dated by representatives of Owen Electric and KU.⁹ Also, Owen Electric has provided two maps, a quadrangle/topographic map and a detailed site map, showing the proposed changes to the service territory. The maps were signed and dated by Owen Electric on October 6, 2021, and by KU also on October 6, 2021.¹⁰

For the reasons stated below, the Commission finds that the proposed territorial boundary change promotes the purposes of KRS 278.016 and will provide adequate and reasonable service to all areas and consumers affected. The agreement between Owen Electric and KU to change the certified territorial boundary promotes the orderly

⁹ Application, Exhibit 1 at 2.

¹⁰ Application, Exhibit 3 and 4. The boundary change is on the topographic map of Florence, IND-KY, 1:24,000 United States Geological Survey, and is defined by the following points of latitude and longitude, expressed in degrees, minutes, and decimal seconds.

A	38°45'59.9303"N	84°53'06.5299"W
B	38°45'48.0240"N	84°53'02.0400"W
C	38°45'49.2120"N	84°53'10.2120"W
D	38°45'48.1320"N	84°53'17.1600"W
E	38°46'01.6320"N	84°53'21.3000"W
F	38°46'01.5600"N	84°53'22.5600"W

development of retail electric service by permitting the retail service provider responsible for providing electric service on the northern side of a residential street to also provide service on the southern side of the same street. The agreement avoids wasteful duplication and unnecessary encumbering of the land, and prevents the waste of materials and natural resources because it permits Owen Electric to avoid the cost of obtaining an easement and building facilities across property upon which it currently has no easement or facilities. KU has existing facilities in the area, therefore permitting this territorial boundary change will allow KU to extend service to Mr. Dingle without encumbering any additional land with an easement. The length of the facility KU will need to construct will be much shorter than the length of the facility required to connect to Owen Electric's system, and KU's service extension can be constructed at no cost to Mr. Dingle, the customer affected by this territory change. The agreement serves to minimize potential disputes between retail electric suppliers because both affected retail electric suppliers have agreed to the change. KU provides adequate and reasonable service to its customers on the northern side of Timberbrook Lane. Therefore, the Commission finds that KU can provide adequate and reasonable service to the area on Timberbrook Lane described in the application.

IT IS THEREFORE ORDERED that:

1. The boundary changes agreed upon by Owen Electric and KU at 150 Timberbrook Lane, Sparta, Kentucky, are approved.
2. This case is closed and removed from the Commission's docket.

By the Commission

Commissioner Marianne Butler did not participate in the deliberations or decision concerning this case.



ATTEST:


Executive Director

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