

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY	)	
UTILITIES COMPANY FOR AUTHORIZATION OF	)	CASE NO.
CHANGES IN SERVICE TERRITORY WITH	)	2023-00201
SHELBY ENERGY COOPERATIVE, INC.	)	

ORDER

On July 21, 2023, Kentucky Utilities Company (KU) filed an application, pursuant to KRS 278.018(6), for approval of an agreement with Shelby Energy Cooperative, Inc. (Shelby Energy) to change the certified territorial boundary for tracts of land located near Waddy, Kentucky, and for tracts of land located near Shelbyville, Kentucky. Shelby Energy and KU have both agreed to the territorial boundary changes. No person has requested to intervene in this case. This case is now before the Commission for a decision on the merits.

BACKGROUND

A planned new residential subdivision near Waddy, Kentucky (Stallard Springs residential subdivision) is located within portions of KU and Shelby Energy's certified territory. KU stated that when the two utilities learned of the planned subdivision, KU and Shelby Energy engineering staffs reviewed and studied the planned subdivision layout together. According to the application, the two utilities agreed to redraw the certified territory boundary line in order to efficiently and fairly align with the new property lines.<sup>1</sup>

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<sup>1</sup> Application (filed July 21, 2023) at 3.

KU will serve parcels 32-37 of the new subdivision, and Shelby Energy will serve parcels 50-55.

Additionally, a planned new commercial development of five buildings located near Shelbyville, Kentucky (Flint-Gray I-64 Logistics Park) is located within portions of KU and Shelby Energy's certified territory. KU stated that when the two utilities learned of the planned commercial development, KU and Shelby Energy engineering staffs again reviewed and studied the planned new commercial development layout together. Building A and Building B will be owned by Flint Development; Buildings 1, 2, and 3 will be owned by Gray Industrial Realty 9, LLC and Gray Industrial Realty 10, LLC.<sup>2</sup> KU stated that the two utilities agreed to redraw the certified territory boundary line in order to efficiently and fairly align with a portion of the property line and with the access road running through the industrial park.<sup>3</sup> KU will serve Building B and Buildings 1 and 2. These three buildings are located in Parcel 2 and Tract 1 respectively. Shelby Energy will serve Building A and Building 3. These two buildings are located in Parcel 1 and Tract 1 respectively.<sup>4</sup>

KU has provided a copy of the agreement which describes the requested change in certified territories. The agreement is signed and dated by representatives of KU and Shelby Energy.<sup>5</sup> The agreement states that both boundary changes avoid the wasteful duplication of facilities and unnecessary encumbering of the landscape as well as minimizes disputes between retail electric providers.<sup>6</sup>

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<sup>2</sup> Application at 3.

<sup>3</sup> Application at 3.

<sup>4</sup> Application at 4.

<sup>5</sup> Application, Exhibit 1, "Boundary Change Agreement" between KU and Shelby Energy.

<sup>6</sup> Application, Exhibit 1, "Boundary Change Agreement" between KU and Shelby Energy.

Also, KU has provided four maps, two quadrant maps and two corresponding detailed site maps, showing the proposed changes to the service territory. Application Exhibit 2 includes the signed territorial Waddy quadrant map. Application Exhibit 2a includes the corresponding signed detailed site map. Application Exhibit 3 includes the signed territorial Simpsonville quadrant map. Application Exhibit 3a includes the corresponding signed detailed site map. Both site maps include the locations of KU and Shelby Energy distribution facilities. The Waddy quadrant map<sup>7</sup> and the Simpsonville quadrant map<sup>8</sup> were both signed and dated by KU on June 28, 2023, and by Shelby Energy on June 29, 2023. The Stallard Springs Site Map<sup>9</sup> and the Flint-Gray Site Map<sup>10</sup>

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<sup>7</sup> Application, Exhibit 2, "Waddy Quadrant Map."

<sup>8</sup> Application, Exhibit 3, "Simpsonville Quadrant Map."

<sup>9</sup> Application, Exhibit 2a, "Stallard Springs Site Map."

Point No.	Latitude	Longitude	Point No.	Latitude	Longitude
1	38.21065	-85.106344	7	38.205489	-85.100945
2	38.210214	-85.107227	8	38.204318	-85.100265
3	38.209733	-85.107371	9	38.203305	-85.09902
4	38.207402	-85.105104	10	38.200909	-85.099261
5	38.20683	-85.103556	11	38.200533	-85.098398
6	38.205779	-85.102768	12	38.199413	-85.099596

<sup>10</sup> Application, Exhibit 3a, "Flint-Gray Site Map."

Point No.	Latitude	Longitude	Point No.	Latitude	Longitude
1	38.182864	-85.280357	8	38.184957	-85.271817
2	38.182989	-85.283087	9	38.185051	-85.27086
3	38.185125	-85.280735	10	38.184356	-85.267066
4	38.186317	-85.279197	11	38.183947	-85.264908
5	38.186004	-85.277604	12	38.183211	-85.264647
6	38.186582	-85.276987	13	38.182598	-85.264725
7	38.185902	-85.276017			

were also both signed and dated by KU on June 28, 2023, and by Shelby Energy on June 29, 2023.

### LEGAL STANDARD

In order to encourage the orderly development of retail electric service, to avoid wasteful duplication of distribution facilities, to avoid unnecessary encumbering of the landscape, to prevent the waste of materials and natural resources, and to minimize disputes between retail electric suppliers which may result in inconvenience, diminished efficiency and higher costs in serving the consumer, Kentucky's legislature divided the state into geographical areas, and established within each area which retail electric supplier is to provide the retail electric service.<sup>11</sup> No retail electric service supplier may furnish retail electric service in the certified territory of another retail electric supplier.<sup>12</sup> However, a retail electric supplier may contract with another retail electric supplier for the purpose of allocating territories and consumers and designating which territories and consumers are to be served by which retail electric supplier.<sup>13</sup> Such a contract between retail electric suppliers must be approved by the Commission and the Commission shall approve such a contract if the Commission 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 by the contract.<sup>14</sup>

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<sup>11</sup> KRS 278.016

<sup>12</sup> KRS 278.016.

<sup>13</sup> KRS 278.018(6).

<sup>14</sup> KRS 278.018(6).

## DISCUSSION

The agreement serves to minimize potential disputes between retail electric suppliers, because both affected retail electric suppliers have agreed to the changes. The Commission finds that both boundary changes avoid the wasteful duplication of facilities and unnecessary encumbering of the landscape due to the agreement between both utilities to efficiently and fairly align with the new property lines. Both KU and Shelby Energy have provided adequate and reasonable service to their customers in these areas for years and the additional load should not affect their ability to continue to do so. Thus, the Commission finds that the proposed territorial boundary changes promote the purposes of KRS 278.016 and will allow the utilities to provide adequate and reasonable service to all areas and customers affected, and therefore, that the application should be granted.

IT IS THEREFORE ORDERED that:

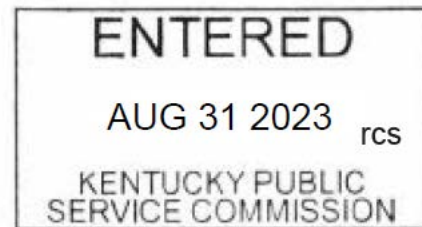
1. The boundary changes agreed upon by KU and Shelby Energy are approved.
2. This case is closed and removed from the Commission's docket.

PUBLIC SERVICE COMMISSION

  
\_\_\_\_\_  
Chairman

  
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Vice Chairman

  
\_\_\_\_\_  
Commissioner



ATTEST:

  
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Executive Director

\*Shelby Energy Cooperative, Inc.  
620 Old Finchville Road  
Shelbyville, KY 40065

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

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

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