

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)	2026-00085
SHELBY ENERGY COOPERATIVE, INC.)	

ORDER

On April 27, 2026, Kentucky Utilities Company (KU) applied to the Commission pursuant to KRS 278.018(6) for an Order to be issued approving updates to the quadrant map to reflect the agreement between KU and Shelby Energy Cooperative, Inc. (Shelby Energy) (jointly, Joint Applicants) for territorial changes at two locations; a new commercial development near Simpsonville, Kentucky by developer Hunt Midwest and Rolling Ridge, a residential subdivision located northwest of Hunt Midwest.¹ The Joint Applicants responded to one request for information.²

There were no requests for intervention, nor public comments filed in this case. This matter is now before the Commission for a decision on the merits.

BACKGROUND

When KU and Shelby Energy learned of a new commercial development at Logistics Park at Interstate I-64 and Buck Creek Road, engineering staff reviewed the planned building layouts at the site.³ Based on the review, KU and Shelby Energy

¹ Application (filed Apr. 27, 2026) at 3.

² Joint Applicants' Response to Commission Staff's First Request for Information (Staff's First Request) (filed June 18, 2026).

³ Application at 3.

determined that the Logistics Park Development spanned across the two utilities' service territories creating split lots that did not align with property lines.⁴ KU and Shelby Energy subsequently agreed to redraw their certified service territory boundary lines to efficiently and fairly align with the property lines related to the Logistics Park Development, and differentiate the respective utilities' territories and remove any split lots.⁵

Upon review of the historical files and maps near the northwest corner of the Logistics Park Development, KU and Shelby Energy realized that certain parcels did not reflect the reality of which utility is currently serving which lots in the existing Rolling Ridge Subdivision in Simpsonville, KY.⁶ Neither KU nor Shelby Energy is certain how or why particular parcels were served outside of the October 18, 1988 Rolling Ridge Subdivision Agreement designated on the Commission's certified Simpsonville Quadrant Map.⁷

Therefore, the Joint Applicants sought to rectify this situation and to revise the official boundary lines as designated on the Simpsonville Quadrant Map to match the existing property lot lines that accurately correspond with the properties receiving electric service from each respective electric utility.⁸ According to the application, no customers will change providers, but the redrawn territorial lines will reflect the reality of which utility is serving which lots.⁹

⁴ Application at 3.

⁵ Application at 4.

⁶ Application at 4.

⁷ Application at 4.

⁸ Application at 4.

⁹ Application at 4.

LEGAL STANDARD

Pursuant to KRS 278.016, 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 that 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.¹⁰

In addition, no retail electric service supplier may furnish retail electric service in the certified territory of another retail electric supplier.¹¹

However, pursuant to KRS 278.018(6), 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. 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.¹²

DISCUSSION AND FINDINGS

Having considered the application and evidence on the record, the Commission finds that the agreement between KU and Shelby Energy will promote the purposes of

¹⁰ KRS 278.016.

¹¹ KRS 278.016.

¹² KRS 278.018(6).

KRS 278.016 and will allow the utilities to provide adequate and reasonable service to all areas and consumers affected. Therefore, the Commission finds that the application should be granted, and the agreement between the parties approved.

A copy of the agreement which describes the requested change in certified territories was provided in the application. The agreement has been signed and dated by representatives of KU and Shelby Energy.¹³ Three maps were provided by KU showing the proposed changes to the service territory, and signed and dated by representatives of KU and Shelby Energy; a Simpsonville quadrant map,¹⁴ a Hunt Midwest site map,¹⁵ and a Rolling Ridge site map.¹⁶

KU and Shelby Energy have demonstrated that the proposal would avoid wasteful duplication of distribution facilities; would avoid unnecessary encumbering of the landscape of the Commonwealth of Kentucky; would prevent the waste of materials and natural resources; and would be for the public convenience and necessity to minimize disputes between retail suppliers which may result in inconvenience. Additionally, in this case, the agreement, in part, clarifies which areas are being served by which respective utility.

¹³ Application, Exhibit 1 at 2.

¹⁴ Application, Exhibit 2, Simpsonville Quadrant Map.

¹⁵ Application, Exhibit 2a, Hunt Midwest Site Map.

¹⁶ Application, Exhibit 2b, Rolling Ridge Site Map.

IT IS THEREFORE ORDERED that:

1. The agreement to redraw the territorial boundaries between KU and Shelby Energy and update the portions of the Simpsonville Quadrant map relating to the Logistics Park Development and the Rolling Ridge Subdivision in Simpsonville are approved.
2. The revised quadrant map, a copy of which was filed with the Application, reflects the agreed upon boundary changes by KU and Shelby Energy and shall be maintained by the Commission as the official territorial boundary.
3. This case is closed and removed from the Commission's docket.


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Entered on this 1st day of July, 2026.

PUBLIC SERVICE COMMISSION




Angie Hatton
Chair



Mary Pat Regan
Vice Chair



Andrew W. Wood
Commissioner



Barry L. Mayfield
Commissioner

ATTEST:



Linda C. Bridwell, PE
Executive Director

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