

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

KENTUCKY POWER COMPANY AND)	
LICKING VALLEY RURAL ELECTRIC)	CASE NO.
COOPERATIVE CORPORATION REQUEST)	2016-00176
FOR APPROVAL OF A SERVICE)	
AGREEMENT)	

ORDER

On May 18, 2016, Kentucky Power Company ("Kentucky Power") tendered a letter, pursuant to KRS 278.018(6), seeking approval of a contract between Kentucky Power and Licking Valley Rural Electric Cooperative Corporation ("Licking Valley") that would allow Kentucky Power to serve two structures ("the two buildings") located in Licking Valley's certified service territory. Those two buildings are a residence and separate garage owned by Rodney and Tina Clemons, located at 263 Meeting House Road, West Liberty, Morgan County, Kentucky. The Commission will treat the letter as an application. Pursuant to the executed contract between Kentucky Power and Licking Valley, Kentucky Power will furnish retail electric service to the Clemonses, no boundary change will occur, and no other customers will be affected. Attached to the application is the executed contract between Kentucky Power and Licking Valley, the Clemonses signed consent to the proposed change of service providers, and a map of the Clemonses' property.

The two buildings, which are currently being served by Licking Valley, are located approximately 500 feet northeast of the boundary between Kentucky Power and Licking

Valley. The extension used by Licking Valley to serve the two buildings is approximately 2,800 feet long and crosses undeveloped land. The two buildings are the only structures served by the extension. Due to the isolated nature of the terrain over which the extension crosses, the conductor that serves the extension has been tampered with or stolen on several occasions. The thefts have increased the cost incurred by Licking Valley to serve the two buildings¹ and have disrupted service to those structures.

Kentucky Power currently serves several structures along Meeting House Road in Kentucky Power's service territory. Because the two buildings are near Kentucky Power's boundary and distribution facilities, Kentucky Power could serve them with a 600-foot extension from Kentucky Power's existing service facilities. Kentucky Power states that the 600-foot extension would be in the view of the public for most or all of its length, and that the increased visibility would reduce the likelihood of theft and service disruptions.

Based on the evidence of record and being otherwise sufficiently advised, the Commission finds that Kentucky Power and Licking Valley are each retail electric suppliers engaged in the furnishing of retail electric service to consumers within their respective certified territorial boundaries. Pursuant to KRS 278.018, each retail electric supplier has the exclusive right to furnish retail electric service within its certified service territory. KRS 278.018(6) allows a retail electric supplier to contract with another retail electric supplier, subject to Commission approval, for the purpose of allocating consumers between such retail electric suppliers. Kentucky Power and Licking Valley

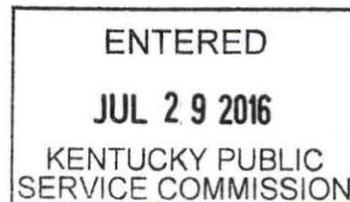
¹ According to Licking Valley, the cost to replace the conductor is \$7,274. Kentucky Power's response to Commission Staff's First Request for Information, Item 2.

have agreed that Kentucky Power should furnish retail electric service to the two buildings, that no change is to be made to the certified boundary between Kentucky Power and Licking Valley, and that no other customers will be affected.

The Commission further finds that the proposed allocation of consumers promotes the purposes of KRS 278.016 by preventing wasteful duplication of facilities, avoiding unnecessarily encumbering the landscape, minimizing disputes between Kentucky Power and Licking Valley, and enabling the provision of adequate and reasonable service to all affected areas and consumers.

IT IS THEREFORE ORDERED that the contract between Kentucky Power and Licking Valley authorizing Kentucky Power to serve the Clemons' residence and garage at 263 Meeting House Road, West Liberty, Morgan County, Kentucky, is approved.

By the Commission



ATTEST:


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