

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF SHELBY ENERGY	)	
COOPERATIVE, INC. FOR AUTHORIZATION OF	)	CASE NO.
CHANGES IN SERVICE TERRITORY WITH BLUE	)	2019-00263
GRASS ENERGY COOPERATIVE CORPORATION	)	

ORDER

On July 26, 2019, Shelby Energy Cooperative, Inc., (Shelby Energy) filed an application, pursuant to KRS 278.018(6), 807 KAR 5:001, Section 14, and 807 KAR 5:001, Section 22, for approval of an agreement with Blue Grass Energy Cooperative Corporation (Blue Grass Energy) to change the certified service territorial boundary, which Shelby Energy identified as territorial boundaries along Samples Lane in Shelby County, Kentucky.<sup>1</sup> Shelby Energy asserted that the change in certified territory is justified because it was determined that Blue Grass Energy currently serves five members along Samples Lane that are within Shelby Energy's service territory; Blue Grass Energy has confirmed that the facilities in question are adequate and capable of providing dependable, high-quality service to this area; and that Blue Grass Energy's service to this parcel will avoid unnecessary duplication of distribution facilities.<sup>2</sup>

Shelby Energy and Blue Grass Energy memorialized their agreement as to the change in certified territories in a written contract, which representatives of Shelby Energy

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<sup>1</sup> Application at 2.

<sup>2</sup> *Id.*

and Blue Grass Energy executed.<sup>3</sup> Moreover, Shelby Energy has provided a map showing the proposed changes to the service territory (Samples Ln Territory Map Amendment), which representatives of Shelby Energy and Blue Grass Energy also signed.<sup>4</sup> The Samples Ln Territory Map Amendment identifies the area that will be transferred from Shelby Energy's service territory to Blue Grass Energy's service territory, pursuant to the agreement, as the area between ten points designated on the map as points 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10 and marked with GPS coordinates.<sup>5</sup> Shelby Energy also provided United States Geological Survey topographic maps at a scale of 1:24,000 for the Waddy and Glensboro quadrangles showing the revised territorial line signed and dated by both parties.

KRS 278.018(6) permits retail 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

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

<sup>4</sup> Shelby Energy's Response to Commission's First Request for Information (Staff's First Request), Exhibit 3.

<sup>5</sup> The points are identified on the maps with a label and GPS coordinates (longitude and latitude) as follows:

**COORDINATES**

1: -85.042126, 38.134200  
2: -85.043800, 38.132312  
3: -85.046507, 38.128827  
4: -85.045053, 38.128299  
5: -85.044805, 38.126819  
6: -85.041766, 38.125747  
7: -85.041935, 38.125311  
8: -85.041954, 38.123726  
9: -85.040207, 38.122439  
10: -85.031288, 38.131952

the purposes of KRS 278.016 and will provide adequate and reasonable service to all areas and consumers affected thereby.”<sup>6</sup> 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.<sup>7</sup>

Here, it was determined that five members within Shelby Energy’s service territory are currently being served by Blue Grass Energy.<sup>8</sup> The proposed territorial changes will realign Shelby Energy’s and Blue Grass Energy’s adjacent territorial boundaries. No existing customers will be affected by the proposed changes, nor will the proposed changes require any new or amended franchises or permits. Further, Blue Grass Energy, by and through its written contract with Shelby Energy, agreed to provide service to members and future members of the area in question.<sup>9</sup>

The Commission finds that the proposed territorial boundary change promotes the purposes of KRS 278.016 and will result in the provision of adequate and reasonable service to all areas and property owners affected.

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

<sup>7</sup> KRS 278.016.

<sup>8</sup> Application at 2.

<sup>9</sup> *Id.*

IT IS THEREFORE ORDERED that:

1. The boundary changes agreed upon by Shelby Energy and Blue Grass Energy for Samples Lane in Shelby County, Kentucky, are approved.
2. A copy of the Samples Ln Territory Map Amendment, with the revisions signed by representatives of Shelby Energy and Blue Grass Energy on October 24, 2019, are attached hereto as an Appendix to this Order,<sup>10</sup> and as it reflects the agreed-upon amended territorial boundary of Shelby Energy and Blue Grass Energy. Full-scale copies of the Samples Ln Territory Map Amendment shall be attached to the Commission's official territorial boundary maps for Waddy and Glensboro.
3. This case is closed and removed from the Commission's docket.

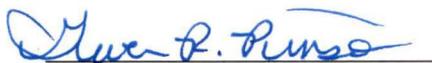
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<sup>10</sup> Full-scale copies of the Samples Ln Territory Map Amendment will be attached to the Commission's territorial boundary map and stored in the case file, whereas a copy of the map scaled to fit on a 8.5" x 11" paper will be attached to this Order.

By the Commission

ENTERED  
JAN 06 2020  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
Executive Director

Case No. 2019-00263

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2019-00263 DATED **JAN 06 2020**

ONE PAGE TO FOLLOW

R-2 St  
 Shelby Energy  
 10-24-19

Buy High  
 BLUE GRASS ENERGY  
 10-24-19

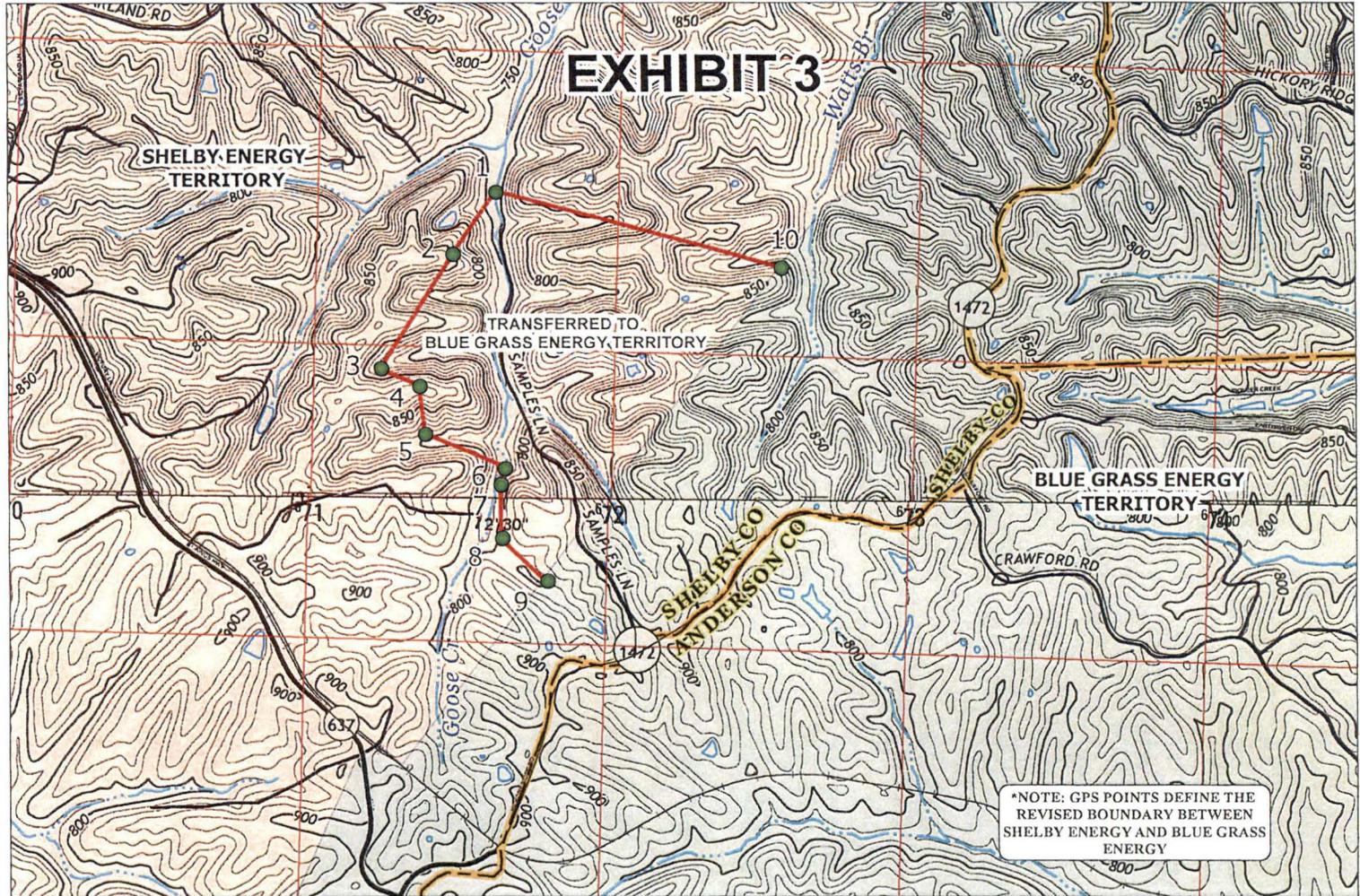
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- 9: -85.040207, 38.122439
- 10: -85.031288, 38.131952

Credits:

- KY DOT
- Shelby County PVA
- Shelby Energy Cooperative
- USGS

- COOPERATIVE SERVICE AREAS**
-  Blue Grass Energy Cooperative Corp.
  -  Shelby Energy Cooperative, Inc.
  -  Roads



\*NOTE: GPS POINTS DEFINE THE REVISED BOUNDARY BETWEEN SHELBY ENERGY AND BLUE GRASS ENERGY

**Samples Ln  
 Territory Map Amendment**  
 Shelby Energy Cooperative release to Blue Grass Energy



A Touchstone Energy Cooperative



Date: 5-23-2019

Drawn By: Brian Richardson

Shelby Energy Representative:

Blue Grass Energy Representative:

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