

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)	2022-00285
KENERGY CORP.)	

ORDER

On September 16, 2022, Kentucky Utilities Company (KU) filed an application, pursuant to KRS 278.018(6), for approval of an agreement with Kenergy Corp. (Kenergy) to change the certified territorial boundary in Union County, Kentucky. KU and Kenergy have both agreed to territorial boundary changes for two parcels of land.

Regarding the first parcel of land, a developer requested electric service to a proposed oil well.¹ Nancy Geiger owns the property where the proposed oil well is to be located. Nancy Geiger has been served by Kenergy on her property for approximately 50 years.² The portion of Nancy Geiger’s property where the proposed oil well lies is within KU’s certified territory.³ KU and Kenergy assert that due to the location and configuration of the current electric utility facilities in the area, the logistics for KU to serve the proposed oil well site would be difficult.⁴ KU and Kenergy further assert that for KU to extend its facilities to the proposed oil well would cause additional costs to the oil well

¹ KU’s Application for Changes in Service Territory with Kenergy at 3 (filed Sept. 16, 2022).

² Application at 3.

³ Application at 3.

⁴ Application at 3.

developer.⁵ Kenergy states that it has existing facilities in the immediate area of the oil well and is able to provide electrical service.⁶ Both utilities request to change the current service area boundary to allow Kenergy to extend its nearby distribution facilities to serve the proposed oil well. No customers will change providers.

Regarding the second parcel of land, while preparing to make this application, KU and Kenergy reviewed the maps in this area and realized that the Commission's certified territorial line did not match the existing property lines at 196 Field Road in terms of which utility is already providing service at this location.⁷ KU has been inadvertently serving outside of its respective certified territory for approximately 25 years.⁸ Thus, KU and Kenergy seek to move the official boundary line to match the existing property lot lines at 196 Field Road and bring that property within KU's certified territory.⁹ No customers will change providers. The new territorial lines will simply reflect the reality of which utility is serving the area.¹⁰

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

⁵ Application at 3.

⁶ Application, Exhibit 1, Agreement between KU and Kenergy (filed Sept. 16, 2022).

⁷ Application at 3.

⁸ Application, Exhibit 1, Agreement between KU and Kenergy.

⁹ Application, Exhibit 3, Morganfield Site Map.

¹⁰ Application, Exhibit 3, Morganfield Site Map.

promote the purposes of KRS 278.016 and will provide adequate and reasonable service to all areas and consumers affected thereby.”¹¹ 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 of facilities 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

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 Kenergy and KU.¹² Also, KU has provided two maps, a quadrant map and a detailed site map, showing the proposed changes to the service territory. The quadrant map was signed and dated by KU on August 29, 2022, and by Kenergy on September 15, 2022. The detailed site map was signed and dated by KU on August 29, 2022, and by Kenergy on September 15, 2022.¹³

¹¹ KRS 278.018(6).

¹² Application, Exhibit 1, Agreement between KU and Kenergy.

¹³ Application, Exhibit 3. The boundary change is on the site map of Morganfield, KY, 1:24,000 United States Geological Survey, and is defined by the following points of latitude and longitude.

Point No.	Latitude	Longitude	Point No.	Latitude	Longitude
1	37.678446	-87.942606	5	37.67736	-87.941649
2	37.678906	-87.940867	6	37.675704	-87.938089
3	37.678322	-87.940343	7	37.674642	-87.935401
4	37.677826	-87.940756	8	37.677409	-87.935493

For the reasons stated below, the Commission finds that the proposed territorial boundary changes promote the purposes of KRS 278.016 and will provide adequate and reasonable service to all areas and consumers affected. The agreement between KU and Kenergy to change the certified territorial boundary avoids wasteful duplication and unnecessary encumbering of the land, and prevents the waste of materials and natural resources. KU and Kenergy have existing facilities in the areas, therefore permitting these territorial boundary changes will allow KU and Kenergy to extend service without encumbering any additional land. The agreement serves to minimize potential disputes between retail electric suppliers because both affected retail electric suppliers have agreed to the changes. Kenergy has provided adequate and reasonable service to its customers in this area for approximately 50 years. Therefore, the Commission finds that Kenergy can provide adequate and reasonable service to the area described in the application.

KU has provided adequate and reasonable service to its customers in this area for approximately 25 years. The Commission finds that KU can provide adequate and reasonable service to the area described in the application.

IT IS THEREFORE ORDERED that:

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

PUBLIC SERVICE COMMISSION


Chairman

Vice Chairman


Commissioner



ATTEST:


Executive Director

*Kenergy Corp.
6402 Old Corydon Road
P. O. Box 18
Henderson, KY 42419

*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