

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

RICHMOND-MADISON COUNTY INDUSTRIAL )  
CORPORATION, AND THE CITY OF RICHMOND )

COMPLAINANTS )

VS. )

CASE NO. 95-019 )

KENTUCKY UTILITIES COMPANY )  
BLUE GRASS RURAL ELECTRIC COOPERATIVE )

DEFENDANTS )

O R D E R

On January 17, 1995, the Richmond-Madison County Industrial Corporation and the city of Richmond, Kentucky, ("Complainants") filed a complaint against Kentucky Utilities Company ("KU") and Blue Grass Rural Electric Cooperative Corporation ("Blue Grass") requesting the Commission to revise the certified territorial boundary, pursuant to KRS 278.018(1), for 242 acres in Madison County, Kentucky. The complainants have an option to purchase the 242 acres, known as the Rice Farm, for development as an industrial park. Due to the physical characteristics of the Rice Farm, each lot to be developed would, absent a boundary change, be located within the service territories of KU and Blue Grass. Bill Rice and Peggy Rice, owners of the farm in issue, requested and were granted intervention and are hereinafter referred to as "Intervenor."

Answers were filed by KU in support of the complaint and Blue Grass in opposition thereto. An informal conference among all

parties and Commission Staff was held on April 13, 1995 in Richmond, Kentucky, for the purpose of discussing factual issues and visting the site. The parties then agreed to a procedural schedule and data requests were propounded. Due to ongoing settlement discussions among the parties, the procedural schedule was subsequently held in abeyance.

On November 9, 1995, the parties filed a joint motion requesting this case be dismissed upon approval by the Commission of a contract, entered by KU and Blue Grass pursuant to KRS 278.018(6), allocating territories and consumers between the two electric suppliers. The contract, dated November 3, 1995, provides for modification of the territorial boundary so that the Rice Farm will be located totally within KU's certified territory. In addition, the territorial boundary between these two utilities will also be modified so that a 130 acre tract on Tates Creek Road in Madison County, Kentucky will be included in the territory certified to Blue Grass.

The Tates Creek Road property, referred to as a portion of the Hanger Estate, is located adjacent to Interstate 75 and has only one retail electric consumer. That consumer, a sewage treatment plant, is owned by the complainants who have consented to the change in electric suppliers from KU to Blue Grass. The only retail electric consumer located on the Rice Farm is the intervenor. Blue Grass has historically served that facility and will continue to do so until service is no longer needed or until

otherwise mutually agreed to by Blue Grass and KU. The intervenor has consented to this arrangement.

Based on the evidence of record and being otherwise sufficiently advised, the Commission finds that the 242 acre Rice Farm and 130 acre Tates Creek Road tract are both properties located within the certified territories of two retail electric suppliers, KU and Blue Grass. The contract between KU and Blue Grass to allocate their territories so that the Rice Farm is totally within KU's territory and the Tates Creek Road tract is totally within Blue Grass's territory will avoid the wasteful duplication of distribution facilities, avoid unnecessary encumbering of the landscape and promote the orderly development of retail electric service. Further, the agreed boundary modifications will provide adequate and reasonable service to both affected areas and consumers.

IT IS THEREFORE ORDERED that:

1. The November 3, 1995 contract between KU and Blue Grass allocating service territories and consumers between themselves be and it hereby is approved.

2. The joint motion requesting this case be dismissed with prejudice upon approval of the November 3, 1995 contract be and it hereby is granted.

3. Within 20 days from the date of this Order, KU and Blue Grass shall file revised certified territorial maps reflecting the modifications agreed to in their November 3, 1995 contract.

Done at Frankfort, Kentucky, this 22nd day of November, 1995.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director