COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF SHELBY ENERGY)		
COOPERATIVE, INC. FOR AUTHORIZATION OF)		
CHANGES IN SERVICE TERRITORY WITH KENTUCKY)	NO. 2014	
UTILITIES COMPANY, SPECIFICALLY OLD MILL)		
VILLAGE AND ROLLING RIDGE SUBDIVISIONS)		

APPLICATION

This Application of Shelby Energy Cooperative, Inc. (the "Applicant") respectfully shows:

- 1. The Applicant is a non-profit rural electric cooperative corporation incorporated in Kentucky on June 14, 1937 under Chapter 279.010 et seq. of the Kentucky Revised Statutes. It is currently in good standing in Kentucky.
- 2. The mailing address of the Applicant is:

Shelby Energy Cooperative, Inc. 620 Old Finchville Road Shelbyville, Kentucky 40065

The electronic mail address of the Applicant is:

psc@shelbyenergy.com

- 3. The Applicant, seeks approval of changes in the certified service territories of it and Kentucky Utilities Company ("KU") pursuant to KRS 278.018(6) and 807 KAR 5:001 § 14.
- 4. The Applicant and KU have individually agreed to the requested territorial change as shown in the Agreement to Amend Certified Service Territory Boundary, a copy of which is attached hereto as Exhibit 1.
- 5. KU and Shelby Energy currently share various certified service territory boundary lines approved by the PSC.
- 6. An undeveloped portion of Old Mill Village Subdivision in Shelbyville, Kentucky currently lies in each utility's certified service territory.
- 7. The current certified service territory boundary as shown on Exhibit 2 creates a potential problem in service to Old Mill

Village Subdivision in that a portion of that subdivision lies in the certified service territories of both utilities.

- 8. Service of the entire Old Mill Village Subdivision by one utility is less expensive to install, more efficient to service, and less confusing to both utilities.
- 9. Placing all of the lots in Old Mill Village Subdivision in the Applicant's certified service territory as shown on Exhibit 3 will improve this situation.
- 10. The parties agree that all of the portion of Old Mill Village Subdivision that presently lies in KU's certified service territory shall be moved into the Applicant's certified service territory
- 11. Both utilities presently serve portions of Rolling Ridge Subdivision in Simpsonville, Kentucky. KU is providing service to Lots 132 through 160 of Phase 5, although those lots lie within the Applicant's certified service territory.
- The current certified service territory boundary shown on Exhibit 4 is incorrect since it shows these lots in Rolling Ridge Subdivision in Applicant's service territory.
- 13. The parties agree that Lots 132 through 160 of Rolling Ridge Subdivision will be moved into KU's certified service territory, as shown on Exhibit 5.
- 14. The amended certified service territory boundary lines that have been agreed to by the parties are illustrated by the accompanying maps.
- 15. The certified service territory boundary as amended shall prevent any duplication of power line facilities, equipment and appurtenances.
- 16. This agreement does not affect any other certified service territories of the respective utilities.
- 17. This agreement will not change the electric service provider for any existing customer of the Applicant or KU, nor will it require any new or amended franchises or permits.

MATHIS, RIGGS, PRATHER & RATLIFF, P.S.C.

Donald T. Prather Counsel for Applicant

500 Main Street, Suite 5 Shelbyville, Kentucky 40065

Phone: (502) 633-5220

CERTIFICATE OF SERVICE

It is hereby certified that a true and accurate copy of the foregoing was this $\frac{16^{15}}{10^{15}}$ day of July, 2014 mailed to the following:

Frank R. Bryant Manager, Distribution Operations Kentucky Utilities Company 1100 Main Street Shelbyville, Kentucky 40065

Donald T. Prather

AGREEMENT TO AMEND CERTIFIED SERVICE TERRITORY BOUNDARY

WHEREAS, Kentucky Utilities Company ("KU") and Shelby Energy Cooperative, Inc. ("Shelby Energy") both provide electrical service to Rolling Ridge Subdivision in Simpsonville, Kentucky and agreed in 2002 to exchange certain lots within that subdivision, but the certified service territory boundary was never filed with the Public Service Commission ("PSC"); and

WHEREAS, certain undeveloped portions of Old Mill Village Subdivision in Shelbyville, Kentucky currently lie within KU's certified service territory while Shelby Energy already serves much of that subdivision; and

WHEREAS, the existing territorial boundaries need to be adjusted in order to prevent duplication of power line facilities, equipment, and appurtenances in order to provide more economical electric service to these customers:

NOW THEREFORE, in consideration of amending the existing certified territory boundary line previously approved by the PSC, the parties hereby agree as follows:

- 1. KU and Shelby Energy currently share certified service territory boundary lines approved by the PSC.
- 2. A portion of Old Mill Village Subdivision in Shelbyville, Kentucky currently lies in each utility's certified service territory.
- 3. The current certified service territory boundary previously approved by the PSC creates a potential problem in service to Old Mill Village Subdivision in Shelbyville, Kentucky in that a portion of that subdivision lies in the certified service territories of both utilities.
- 4. Service of the entire Old Mill Village Subdivision by one utility is less expensive to install, more efficient to service, and less confusing to both utilities.
- 5. Placing all of the lots in Old Mill Village Subdivision in Shelby Energy's certified service territory will improve this situation.
- 6. Both utilities presently serve portions of Rolling Ridge Subdivision in Simpsonville, Kentucky.
- 7. The current certified service territory boundary previously approved by the PSC is incorrect as to these lots in Rolling Ridge Subdivision.

- 8. The parties agree that Lots 132 through 160 of Rolling Ridge Subdivision will be moved into KU's certified service territory, and the parties agree that the entire portion of Old Mill Village Subdivision that presently lies in KU's certified service territory shall be moved into Shelby Energy's certified service territory.
- 9. The amended certified service territory boundary lines that have been agreed to by the parties are illustrated by the accompanying maps.
- 10. The certified service territory boundary as amended shall prevent any duplication of power line facilities, equipment and appurtenances.
- 11. This agreement does not affect any other certified service territories of the respective utilities.
- 12. This agreement shall go into full force and effect upon Order of the PSC approving this agreement.

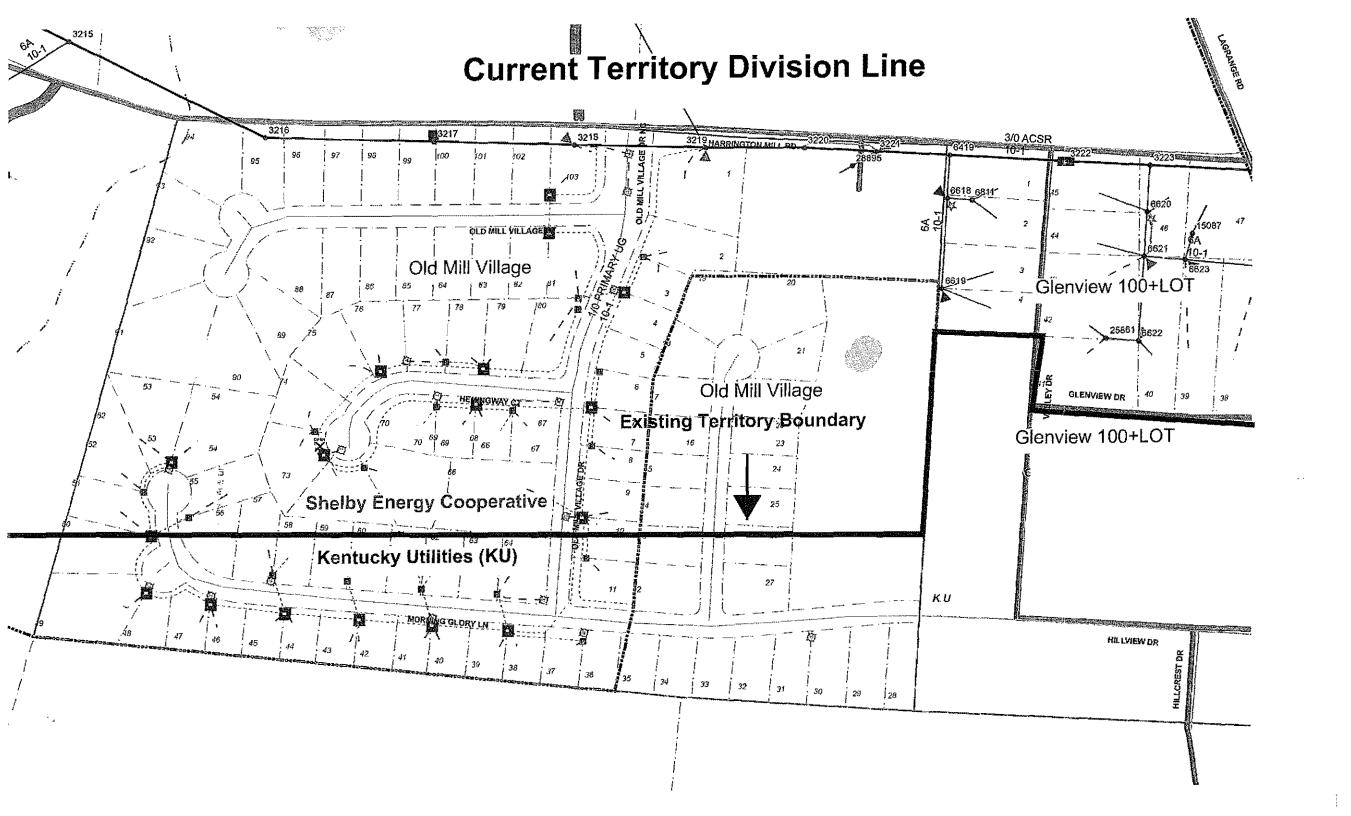
SHELBY ENERGY COOPERATIVE, INC.

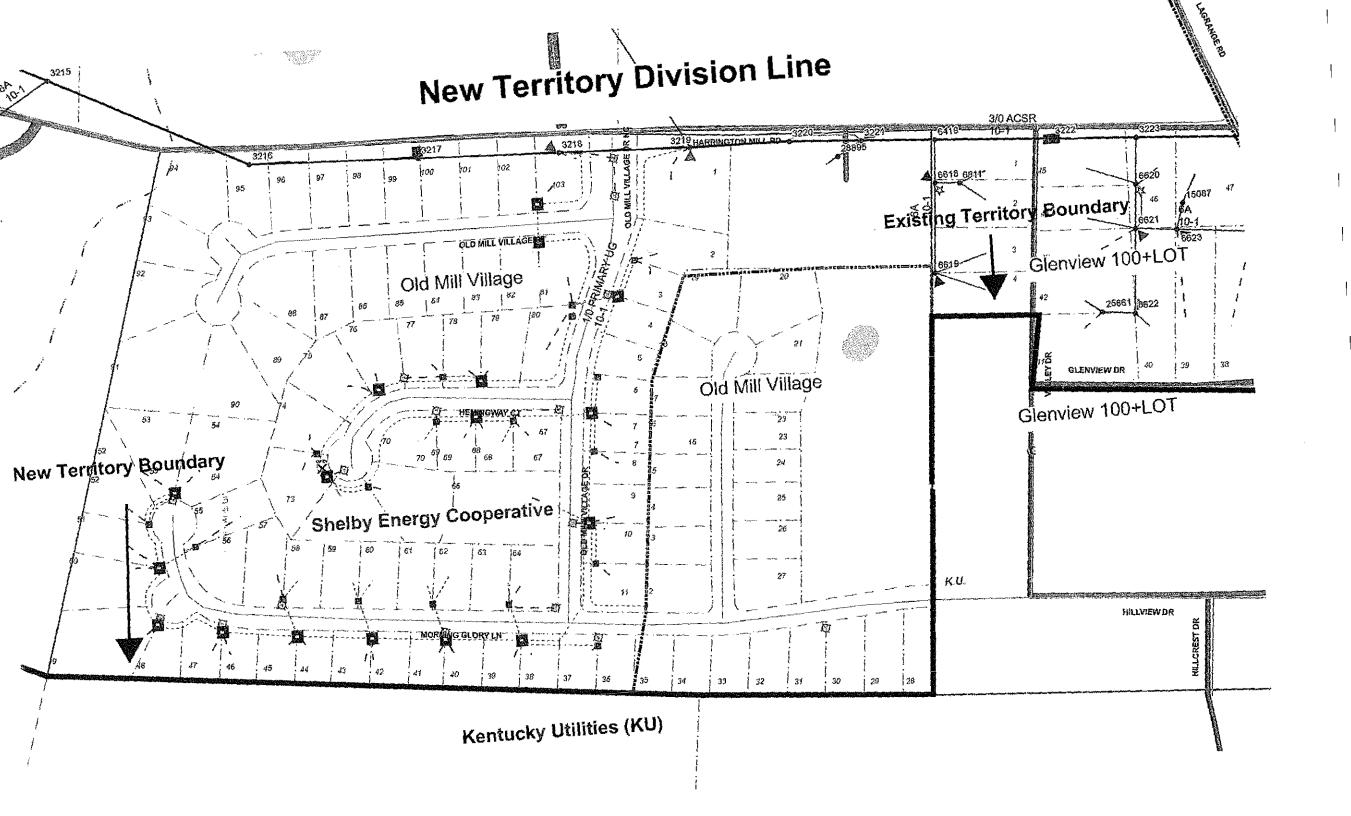
Debra Martin

President & CEO

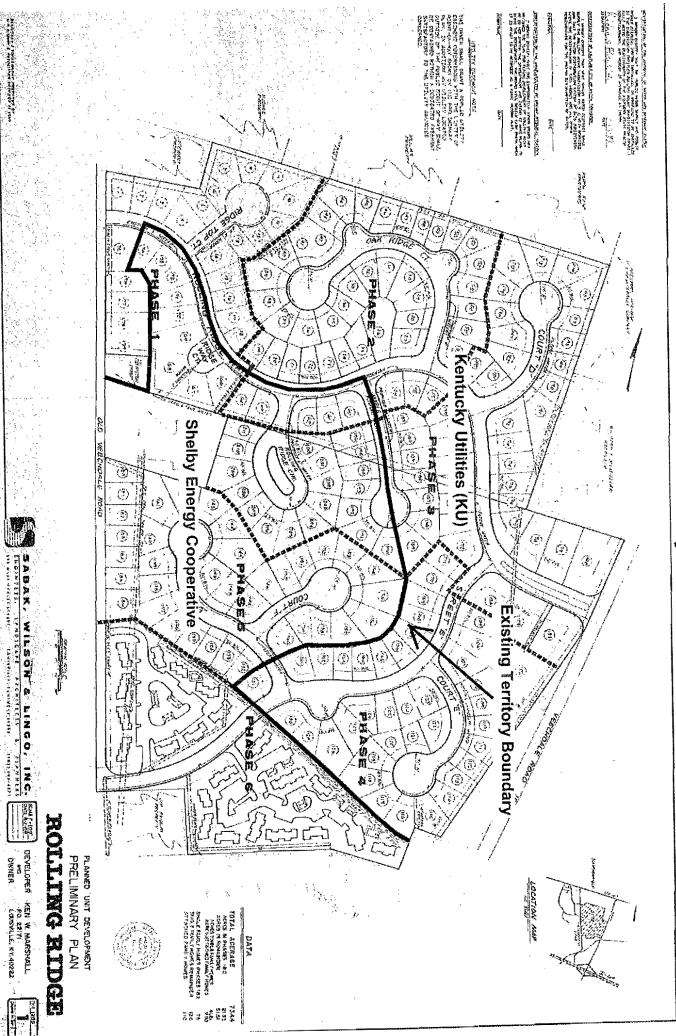
KENTUCKY UTILITIES COMPANY

Title:



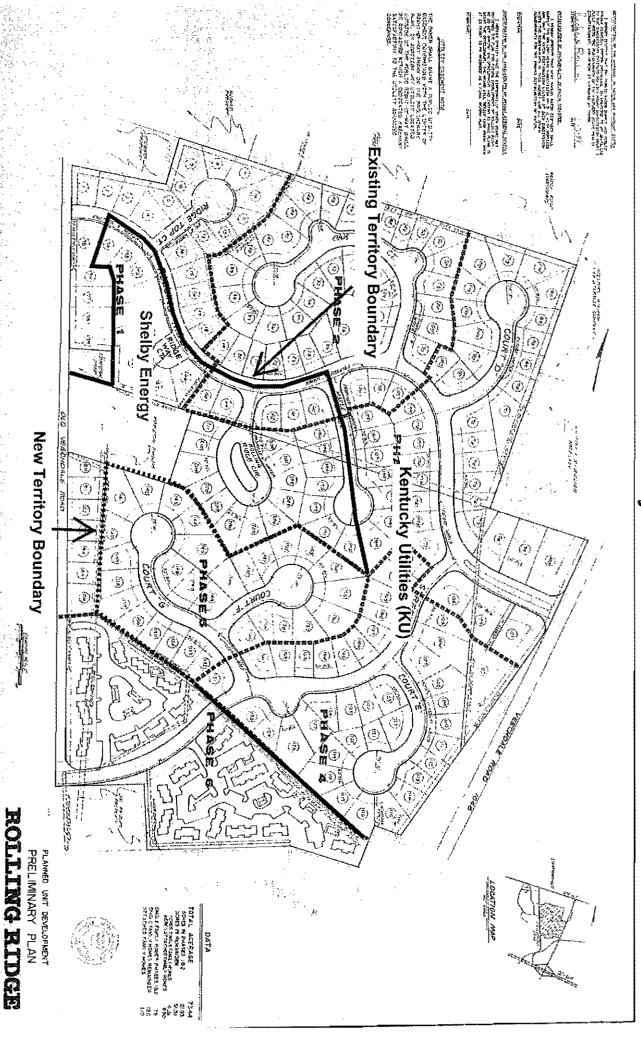


Current Territory Division Line



DEVELOPER KEN W MARSHALL
PD -- PO. 22/7/
OWNER LUNSVILE, KY.40222

New Territory Division Line



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SABAR, WILSON & LINGO, INC.

DEVELOPER KEN W MARSHALL