

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DUKE ENERGY)	
KENTUCKY, INC. FOR AUTHORIZATION OF)	CASE NO.
PARTIAL CHANGES IN SERVICE TERRITORY)	2019-00128
WITH OWEN COUNTY ELECTRIC COOPERATIVE,)	
INC.)	

ORDER

On April 18, 2019, Duke Energy Kentucky, Inc. (Duke Kentucky), filed an application, pursuant to KRS 278.018(6), for approval of an agreement with Owen County Electric Cooperative, Inc. (Owen Electric), to change the certified territorial boundary at 6105 Elwood Avenue, in Burlington, Boone County, Kentucky, Boone County Parcel ID #038.09-00-015.00. The property owner of 6105 Elwood Avenue, presently a customer of Duke Kentucky, requested three-phase electric service from an existing Owen Electric pole line located near the rear of his residence at 6105 Elwood Avenue to service a new pole barn that he is constructing.¹ The customer requested that Owen Electric only serve the pole barn.² Duke Kentucky is to remain the electric service provider for the residence at 6105 Elwood Avenue.³

Duke Kentucky asserts that the requested realignment of territory is necessary due to the proximity of the two utilities performing the installation of utility service. Owen

¹ Duke Energy Kentucky, Inc. Response to Commission Staff's First Request for Information, at 4.

² *Id.* at 6.

³ *Id.*

Electric's existing three-phase pole line is in closer proximity to the area where the property owner will build his pole barn than any other Duke Kentucky facility that can supply the customer with three-phase service.⁴ Duke Kentucky's existing line that serves 6105 Elwood Avenue is a single-phase line.⁵

Duke Kentucky further asserts that the service territory change will provide the customer with a more economical solution to add three-phase electric service to his future pole barn.⁶ Duke Kentucky estimates that the total cost for Duke Kentucky to serve the future pole barn to be approximately \$57,930.59 with estimated amounts of labor to be \$28,112.86, materials \$11,450.84, services \$1,920, and overhead \$16,446.89⁷. In a letter dated February 6, 2019, from Duke Kentucky's Customer Project Coordinator to Owen Electric's Service Planner, Duke Kentucky wrote that "[t]he required Duke Energy work will not revenue justify, resulting in a large lump sum charge or large X-Rider monthly payment."⁸

Duke Kentucky has provided a letter that described the requested change in certified territories that was signed and dated by representatives of Duke Kentucky and Owen Electric.⁹ Also, Duke Kentucky has provided two maps showing the proposed changes to the service territory. The maps were signed and dated by both utilities on July

⁴ Application of Duke Energy Kentucky, Inc. for Authorization of Partial Changes in Service Territory with Owen County Electric Cooperative, Inc., (Application) at 2.

⁵ *Id.*, Exhibit 1, page 5 of 5.

⁶ *Id.* at 2.

⁷ Duke Energy Kentucky, Inc. Response to Commission Staff's First Request for Information, at 5.

⁸ Application, Exhibit 1, page 5 of 5.

⁹ *Id.*

29, 2019.¹⁰ The first map shows the existing territorial boundaries with a pointer to the proposed territorial change and is a 1:24,000 United States Geologic Survey topographic map with electric lines and territory boundaries superimposed on the Burlington, Kentucky-Ohio quadrangle.¹¹ The second map displays a satellite image showing the location of the Tax Parcel, the proposed new pole barn, the existing Owen Electric 3-phase pole line,¹² and the Global Positioning System (GPS) coordinates of the proposed territorial change.¹³

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 promote the purposes of KRS 278.016 and will provide adequate and reasonable service to all areas and consumers affected thereby.”¹⁴ 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

¹⁰ August 14, 2019 Filing of Duke Energy Kentucky, Inc., Signed and Dated Public Maps Designated in the Application as Map #1 and Map Application pg.10.

¹¹ Map filed electronically as a confidential document on 8/14/2019; a paper map was mailed to the Public Service Commission for its paper map files.

¹² Map filed electronically on 8/14/2019; a paper map was mailed to the Public Service Commission for its paper map files.

¹³ NW Corner 39.025060,-84.726191, NE Corner 39.025060,-84.725962, SE Corner 39.024793,-84.725968, SW Corner 39.024792,-84.726191.

¹⁴ KRS 278.018(6).

resources; (4) to minimize disputes between retail electric suppliers; and (5) for public convenience and necessity.¹⁵

Here, a Duke Kentucky customer requested three-phase electrical service from the existing Owen Electric pole line located near the rear of his residence to provide electrical service to a new pole barn that he is constructing. The Commission finds that the proposed territorial boundary change promotes the purposes of KRS 278.016. The agreement between Duke Kentucky and Owen Electric to change the certified territorial boundary minimizes a potential dispute between retail electric suppliers, which may have resulted in inconvenience, diminished efficiency, higher cost to the consumer, avoids wasteful duplication of facilities, avoids unnecessary encumbering of the landscape, and provides adequate and reasonable service to all areas and property owners affected.

IT IS THEREFORE ORDERED that:

1. The boundary changes agreed upon by Duke Kentucky and Owen Electric at 6105 Elwood Avenue, in Burlington, Boone County, Kentucky, Boone County Parcel ID #038.09-00-015.00, are approved.
2. This case is closed and removed from the Commission's docket.

¹⁵ KRS 278.016.

By the Commission

ENTERED
AUG 29 2019
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

Case No. 2019-00128

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