

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)	2022-00286
OWEN ELECTRIC COOPERATIVE, INC.)	

ORDER

On September 23, 2022, Kentucky Utilities Company (KU) filed an application, pursuant to KRS 278.018(6), for approval of an agreement with Owen Electric Cooperative, Inc. (Owen Electric) to change the certified territorial boundary of a tract of land located at 1525 McClelland Circle, Georgetown, Kentucky. KU and Owen Electric have both agreed to the territorial boundary change. No person has requested to intervene in this case. This case is now before the Commission for a decision on the merits.

BACKGROUND

In the application, KU states that the owners of the tract of land at 1525 McClelland Circle are Donzetta Hughes and Louis Stewart. The property contains a home and outbuildings that are presently being served with electricity by Owen Electric.¹ A portion of the same tract of land is located within KU's service territory. Ms. Hughes and Mr. Stewart requested that electric service be extended to a produce stand which the owners intend to construct on the portion of the property that is located within KU's service

¹ KU's Application for Changes in Service Territory with Owen Electric (filed Sep. 23, 2022) at 3.

territory.² Because Owen Electric already has existing electric facilities located in the area that are closer to the proposed produce stand than KU's existing electric facilities, KU has agreed to transfer the service territory to Owen Electric. Specifically, Owen Electric's existing distribution line is 2,810 feet away from the proposed produce stand, and it will cost approximately \$26,000 to extend service.³ KU's nearest existing distribution line is one mile away, which is almost twice as far as Owen Electric's nearest line.⁴ Since Owen Electric currently serves the residence and existing outbuildings located at 1525 McClelland Road, and it has closer existing distribution lines that can be extended, KU and Owen Electric have agreed to request that the service territory be transferred to Owen Electric so that it may extend its existing distribution line to the intended produce stand. No existing customer will change electric provider.

KU has provided a copy of the agreement that describes the requested change in certified territories. The agreement is signed and dated by representatives of KU and Owen Electric.⁵ 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 September 23, 2022, and by Owen Electric on September 23, 2022. The detailed site map was signed and dated by KU on September 23, 2022, and by Owen Electric on September 23, 2022.⁶

² Application, Exhibit 1, "PSC Boundary Change Agreement" between KU and Owen Electric.

³ Application at 3.

⁴ Application at 3.

⁵ Application, Exhibit 1, "PSC Boundary Change Agreement" between KU and Owen Electric.

⁶ Application, Exhibit 3. The boundary change is on the site map of Delaplain, Ky., 1:24,000 United States Geological Survey, and is defined by the following points of latitude and longitude.

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 promote the purposes of KRS 278.016 and will provide adequate and reasonable service to all areas and consumers affected thereby.”⁷ 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

Owen Electric has existing facilities closer to the intended produce stand, so permitting this territorial boundary change will allow Owen Electric to extend service without encumbering as much additional land or incurring as much costs to extend distribution facilities as would be required if KU provided the service. The agreement

Point No.	Latitude	Longitude
1	38.277202	-84.591444
2	38.275682	-84.58981
3	38.272865	-84.591709
4	38.273152	-84.593514

⁷ KRS 278.018(6).

serves to minimize potential disputes between retail electric suppliers because both affected retail electric suppliers have agreed to the changes. Owen Electric has provided adequate and reasonable service to its customers in this area for years and currently serves the owners of the land at issue. Thus, the Commission finds that the proposed territorial boundary changes promote the purposes of KRS 278.016 and will allow the utilities to provide adequate and reasonable service to all areas and consumers affected, and therefore the application should be granted.

IT IS THEREFORE ORDERED that:

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

PUBLIC SERVICE COMMISSION



Chairman

Vice Chairman



Commissioner



ATTEST:



Executive Director

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