

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DUKE ENERGY)	
KENTUCKY, INC. FOR AUTHORIZATION OF)	CASE NO.
CHANGES IN SERVICE TERRITORY WITH)	2023-00283
OWEN ELECTRIC COOPERATIVE, INC.)	

ORDER

On August 31, 2023, Duke Energy Kentucky, Inc. (Duke Kentucky) filed an application, pursuant to KRS 278.018(6), for approval of an agreement with Owen Electric Cooperative, Inc. (Owen Electric) to change the utilities' certified territorial boundaries in Union, Boone County, Kentucky. No person requested intervention. This case is now before the Commission for a decision on the merits.

BACKGROUND

Mr. Randy Acklin of Fischer Homes has requested electric service for a new development, Ballyshannon Subdivision, located just North of Hathaway Road in Union, Kentucky on the border of the Duke Kentucky Service Territory and the Owen Electric Service Territory.¹ Duke Kentucky and Owen Electric have agreed by contract to certain territorial boundary changes for the development.² Owen Electric has agreed to relinquish to Duke Kentucky certain parcels within the Ballyshannon Development and Duke Kentucky has also agreed to relinquish to Owen Electric certain parcels within the

¹ Application, Amended Exhibit 4, page 4 of 4.

² Application, Amended Exhibit 4, page 4 of 4.

Ballyshannon Development.³ This request has been evaluated by both Duke Kentucky and Owen Electric engineering teams and they have determined that some revisions to the current territory boundary would benefit all parties involved.⁴

Duke Kentucky and Owen Electric argued that the proposed boundary change promotes the orderly development of retail electric services because the proposed territory boundary revision aligns with the design of the electrical infrastructure for both Duke Kentucky and Owen Electric, which will result in a lower cost for the initial installation, a more reliable system for the future customers, and minimize the number of easements required.⁵ Duke Kentucky and Owen Electric also asserted that the proposed boundary change avoids the wasteful duplication of facilities and unnecessary encumbering of the landscape because the proposed territory boundary revision prevents any unnecessary easements and line extensions to isolated areas within the development and both parties have developed a design based on this revision to have all facilities follow the road right of way and minimize the length of wire installed.⁶ According to Duke Kentucky and Owen Electric, the proposed boundary change minimizes disputes between retail electric suppliers because the proposed territory boundary provides the most logical separation of electric suppliers based on the developers' proposed streets and both Duke

³ Application at 2.

⁴ Application, Amended Exhibit 4, page 4 of 4.

⁵ Duke Kentucky's Responses to Commission Staff's First Requests for Information (Staff's First Request) (filed Oct. 6, 2023), Item 3.

⁶ Duke Kentucky's Responses to Staff's First Requests, Item 4 .

Kentucky and Owen Electric have developed an infrastructure design that follows the path of the new road right of way and avoids any additional runs through customers' property.⁷

Duke Kentucky has provided a copy of the agreement which describes the requested change in certified territories.⁸ The agreement is signed and dated by representatives of Duke Kentucky and Owen Electric.⁹ Also, Duke Kentucky 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 Duke Kentucky on August 30, 2023, and by Owen Electric on August 30, 2023.¹⁰ The detailed site map was signed and dated by Duke Kentucky on June 15, 2023, and by Owen Electric on June 15, 2023.¹¹

⁷ Duke Kentucky's Responses to Staff's First Requests, Item 5.

⁸ Application, Amended Exhibit 4, page 4 of 4.

⁹ Application, Amended Exhibit 4, page 4 of 4.

¹⁰ Application, Amended Exhibit 4, page 1 of 4

¹¹ Application, Amended Exhibit 4, page 2 of 4. The boundary change is on the site map of Union, 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	38.9507434	-84.7173225	21	38.95069314	-84.70638014
2	38.9519635	-84.7169855	22	38.95063996	-84.70564492
3	38.9519127	-84.7149987	23	38.95057567	-84.70565256
4	38.9524914	-84.7124652	24	38.95049672	-84.70456614
5	38.9511897	-84.7123187	25	38.95055698	-84.704372
6	38.9519781	-84.7119521	26	38.95052024	-84.70333206
7	38.9509668	-84.7113959	27	38.95168306	-84.70374276
8	38.9511365	-84.7113375	28	38.95198126	-84.70377
9	38.9514343	-84.7112398	29	38.95231062	-84.70395336
10	38.9519059	-84.711307	30	38.95255173	-84.70218307
11	38.9521245	-84.7112809	31	38.95372523	-84.70388853
12	38.9520015	-84.7093837	32	38.95424697	-84.70359644
13	38.9524664	-84.7092916	33	38.9543553	-84.7030758
14	38.9523104	-84.7087855	34	38.95420103	-84.70285533

LEGAL STANDARD

In order to encourage the orderly development of retail electric service, to avoid wasteful duplication of distribution facilities, to avoid unnecessary encumbering of the landscape, to prevent the waste of materials and natural resources, and to minimize disputes between retail electric suppliers, which may result in inconvenience, diminished efficiency and higher costs in serving the consumer, Kentucky’s legislature divided the state into geographical areas, and established which retail electric supplier is to provide the retail electric service within each area.¹² No retail electric service supplier may furnish retail electric service in the certified territory of another retail electric supplier.¹³ However, a retail electric supplier may contract with another retail electric supplier for the purpose of allocating territories and consumers and designating which territories and consumers are to be served by which retail electric supplier.¹⁴ Such a contract between retail electric suppliers must be approved by the Commission, and the Commission shall approve such a contract if the Commission finds that the contract will promote the

15	38.9519904	-84.7080366	35	38.9556784	-84.70131832
16	38.9517866	-84.7051079	36	38.95587708	-84.70083497
17	38.9514727	-84.7079561	37	38.95560272	-84.70039006
18	38.9515816	-84.7074327	38	38.95433479	-84.70050261
19	38.9513008	-84.707335	39	38.9543771	-84.70097137
20	38.95121138	-84.70617027	40	38.95266327	-84.70115532

¹² KRS 278.016.

¹³ KRS 278.016.

¹⁴ KRS 278.018(6).

purposes of KRS 278.016 and will provide adequate and reasonable service to all areas and consumers affected by the contract.¹⁵

DISCUSSION

Duke Kentucky and Owen Electric indicated that the proposed territory boundary revision evenly redistributes the lots within the Ballyshannon Development based on the most efficient electrical infrastructure design for both Duke Kentucky and Owen Electric.¹⁶ Specifically, Duke Kentucky and Owen Electric stated that the boundary changes will limit the length of wire and number of transformers per residential customer for both utility providers, which will result in a lower cost for the initial installation as well as a more reliable system for the future customers.¹⁷ Further, Duke Kentucky and Owen Electric indicated that the existing territory boundary line within the proposed development creates isolated areas for both utility providers. If the proposed change is not made, then additional easements will be required to cross customer property to serve these isolated areas.¹⁸ Thus, having reviewed the record and being otherwise sufficiently advised, 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 finds that the application should be granted.

¹⁵ KRS 278.018(6).

¹⁶ Duke Kentucky's Responses to Staff's First Requests, Item 1.

¹⁷ Duke Kentucky's Responses to Staff's First Requests, Item 1.


¹⁸ Duke Kentucky's Responses to Staff's First Requests, Item 2.

IT IS THEREFORE ORDERED that:

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

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PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ENTERED
DEC 01 2023
KENTUCKY PUBLIC SERVICE COMMISSION ^{rCS}

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