

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY)	
POWER COMPANY PURSUANT TO)	
KRS 278.018 (6) FOR APPROVAL OF AN)	
AGREEMENT FOR GRAYSON RURAL ELECTRIC)	CASE NO.
COOPERATIVE CORPORATION TO SERVE A)	2024-00330
CUSTOMER LOCATED IN KENTUCKY POWER'S)	
SERVICE TERRITORY IN GREENUP COUNTY,)	
KENTUCKY)	

ORDER

Kentucky Power Company (Kentucky Power) has applied to the Commission pursuant to KRS 278.018(6) for an Order to be issued approving a written agreement between Kentucky Power and Grayson Rural Electric Cooperative Corporation (Grayson RECC) for Grayson RECC to serve a customer currently located within the certified territory of Kentucky Power in Greenup County, Kentucky. The customer is currently without service and is located within Kentucky Power's certified territory.

To adequately serve the customer, Kentucky Power would have to extend its existing distribution facilities approximately 4,900 feet, which would cost both Kentucky Power and the customer significant expense. Grayson RECC, however, would only have to extend its distribution facilities approximately 1,400 feet, and therefore, can serve the customer at significantly less cost to the Customer and Grayson RECC.¹ The customer whose property is the subject of the agreement has consented in writing to take retail

¹ Application (filed Nov. 7, 2024) at 3.

electric service from Grayson RECC.² Grayson RECC and Kentucky Power agree that nothing in the agreement shall be deemed a change in the boundary line between the certified territories of Grayson RECC and Kentucky Power.³

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 within each area which retail electric supplier is to provide the retail electric service.⁴ No retail electric service supplier may furnish retail electric service in the certified territory of another retail electric supplier.⁵ 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. 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

² Application at 3.

³ Application at 3.

⁴ KRS 278.016.

⁵ KRS 278.016.

purposes of KRS 278.016 and will provide adequate and reasonable service to all areas and consumers affected by the contract.⁶

DISCUSSION

Having considered the evidence tendered by the parties and reviewed the Commission finds that the agreement will promote the purposes of KRS 278.016. The extension of Grayson RECC's current service facilities to the customer is consistent with the orderly development of retail electric service, will not result in wasteful duplication, and will not unnecessarily encumber the landscape of the Commonwealth. Moreover, the agreement demonstrates that Grayson RECC will provide adequate, reliable, and reasonable service to the Customer. In reviewing the application, the parties have demonstrated that the expense to provide service will be lower to both the customer and Grayson RECC, than it would be for Kentucky Power. In addition, Grayson RECC will be able to provide service within the normal, ordinary course of business.

IT IS THEREFORE ORDERED that:

1. The contract between Kentucky Power and Grayson RECC is hereby approved by the Commission.
2. This case is closed and removed from the Commission's docket.

⁶ KRS 278.018(6).

PUBLIC SERVICE COMMISSION



Chairman



Commissioner



Commissioner

ATTEST:



Executive Director

ENTERED
DEC 06 2024 AH
KENTUCKY PUBLIC
SERVICE COMMISSION

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