

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 BLUE	)	2024-00390
GRASS ENERGY COOPERATIVE	)	
CORPORATION	)	

ORDER

Kentucky Utilities (KU) and Blue Grass Energy Cooperative Corporation (Blue Grass Energy) have applied to the Commission pursuant to KRS 278.018(6) for an Order to be issued approving a written agreement between KU and Blue Grass Energy for an agreed territorial boundary change for numerous residential home lots of land within the new Parkview Heights Residential Subdivision. In situations where a new development spans across two utilities' service territories, the companies agreed to redraw the certified service territory boundary line in order to efficiently and fairly align with the new property lines.<sup>1</sup> No existing customer will change electric provider.<sup>2</sup>

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

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<sup>1</sup> Application (filed Feb. 11, 2025) at 3.

<sup>2</sup> Application at 3.

efficiency and higher costs in serving the consumer, the Kentucky General Assembly divided the state into geographical areas, and established within each area which retail electric supplier is to provide the retail electric service.<sup>3</sup> No retail electric service supplier may furnish retail electric service in the certified territory of another retail electric supplier.<sup>4</sup> 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 purposes of KRS 278.016 and will provide adequate and reasonable service to all areas and consumers affected by the contract.<sup>5</sup>

#### DISCUSSION

The agreement must promote the purposes of KRS 278.016 while providing adequate and reasonable service to customers. The location is within the Parkview Heights Subdivision in Richmond Kentucky. KU and Blue Grass Energy agree that the new boundary, which will align with property lines, avoids wasteful duplication of facilities and unnecessary encumbering of the landscape as well as promotes the orderly development of retail electric service.<sup>6</sup> The parties agreed to redraw the certified service

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<sup>3</sup> KRS 278.016.

<sup>4</sup> KRS 278.016.

<sup>5</sup> KRS 278.018(6).

<sup>6</sup> Application, Exhibit 1, Boundary Change Agreement.

territory boundary line in order to efficiently and fairly align with the new property lines in order to promote the orderly subdivision development.<sup>7</sup>

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 purposes of KRS 278.016 and will provide adequate and reasonable service to all areas and consumers affected by the contract. The agreement demonstrates that the utilities will provide adequate, reliable, and reasonable service to the Customer.

In reviewing the application, the Commission finds that the parties have demonstrated that the agreement establishing the proposed boundary line will promote the purposes of KRS 278.016 and allow each utility to prudently extend its existing electrical distribution system in order to reliably serve the residential development, thus providing adequate and reasonable service to all areas and consumers affected by the contract.


IT IS THEREFORE ORDERED that:

1. The contract between KU and Blue Grass Energy is hereby approved.
2. This case is closed and will be removed from the Commission's docket.

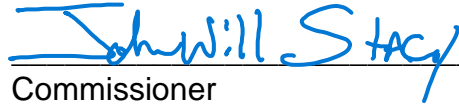
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<sup>7</sup> Application at 3.

PUBLIC SERVICE COMMISSION



Chairman



Commissioner



Commissioner

ATTEST:



Executive Director



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