

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)	2025-00098
CLARK ENERGY COOPERATIVE, INC.)	

ORDER

Kentucky Utilities Company (KU) has applied to the Commission pursuant to KRS 278.018(6) for an Order to be issued approving a written agreement between KU and Clark Energy Cooperative, Inc. (Clark Energy) in order to redraw their territorial boundaries to match the property boundaries for three separate properties that intersect the current territories.¹ All properties are located in Clark County, Kentucky.²

KU was contacted by Loren Long, owner of Old Woodford Farm, LLC requesting that KU cede its electric service territory to Clark Energy to construct a home, barn–workshop, and a gate.³ According to the application, Clark Energy has existing electric facilities in the immediate area. In contrast, KU would be required to extend its facilities to serve Mr. Long at an approximate cost of \$20,000.⁴

¹ Application, Exhibit 1, Agreement.

² Application Exhibit 1, Agreement.

³ Application at 3.

⁴ Application at 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 that 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. 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 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, the Commission finds that the agreement will promote the purposes of KRS 278.016 by allowing the utilities to redraw their territorial boundaries in order to match the property boundaries for the separate properties that are located along each utility's territories. The redrawing of the

⁵ KRS 278.016

⁶ KRS 278.018(6).


utilities' current service territories as proposed 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 Clark Energy will provide adequate, reliable, and reasonable service to the customer. Finally, the application demonstrates that the expense to provide service to the service area at issue will be lower if provided by Clark Energy because they will be able to provide service within the normal, ordinary course of business.

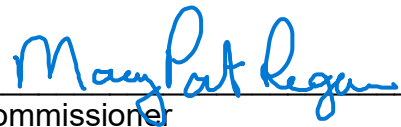
IT IS THEREFORE ORDERED that:

1. The contract between KU and Clark Energy is approved by the Commission.
2. This case is closed and removed from the Commission's docket.

PUBLIC SERVICE COMMISSION


Chairman


Commissioner


Commissioner

ATTEST:


Executive Director



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