

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 SALT)	2026-00024
RIVER ELECTRIC COOPERATIVE)	
CORPORATION)	

ORDER

On March 5, 2026, Kentucky Utilities Company (KU) applied to the Commission pursuant to KRS 278.018(6) for an Order to be issued approving updates to the quadrant map to reflect an agreement between KU and Salt River Electric Cooperative Corporation (Salt River Electric) for territorial changes at two locations; five parcels of land off Kays Lane and one parcel near Farmaway Drive,¹ all located in Bardstown, Kentucky.²

There were no requests for intervention, nor public comments filed in this case. This matter is now before the Commission for a decision on the merits.

BACKGROUND

New residential homes are being developed on five parcels of land off Kays Lane where the land is situated along the current boundary between KU's and Salt River Electric's certified territories.³ According to the application, the logistics for Salt River Electric to serve these particular sites is challenging and would cause additional costs to

¹ Application (filed Mar. 5, 2026) at 4.

² Application Exhibit 1, Agreement.

³ Application at 3.

the customers to extend its facilities.⁴ Because KU can extend its nearby facilities with minimal burden, KU and Salt River Electric agreed that KU should serve each of those new residential homes on Kays Lane.⁵

In exchange for the five parcels in the Kays Lane territory, KU and Salt River Electric identified a tract of land off Farmaway Drive that KU agrees to relinquish to Salt River Electric.⁶ Salt River Electric currently provides electric service to nearby existing residential homes, and can easily extend its electric facilities to serve future residential homes in this area.⁷

KU maintains the changes to the current service area boundaries would be in the best interest of both utilities, and of the proposed customers.⁸ According to the application, the proposal would avoid wasteful duplication of distribution facilities; would avoid unnecessarily encumbering of the landscape of the Commonwealth of Kentucky; would prevent the waste of materials and natural resources; and would be for the public convenience and necessity to minimize disputes between retail suppliers which may result in inconvenience.⁹ Furthermore, no existing customer will change electric provider.¹⁰

⁴ Application at 3.

⁵ Application at 3.

⁶ Application at 3.

⁷ Application at 3.

⁸ Application at 4.

⁹ Application at 3.

¹⁰ Application at 3.

LEGAL STANDARD

Pursuant to KRS 278.016, 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.¹¹ In addition, no retail electric service supplier may furnish retail electric service in the certified territory of another retail electric supplier.¹²

However, pursuant to KRS 278.018(6), 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.¹³

DISCUSSION AND FINDINGS

Having considered the application and evidence on the record, the Commission finds that the agreement between KU and Salt River Electric will promote the purposes

¹¹ KRS 278.016.

¹² KRS 278.016.

¹³ KRS 278.018(6).

of KRS 278.016 and will allow the utilities to provide adequate and reasonable service to all areas and consumers affected; therefore, the Commission finds that the application should be granted, and the agreement between the parties approved.

A copy of the agreement which describes the requested change in certified territories was provided in the application. The agreement has been signed and dated by representatives of KU and Salt River Electric.¹⁴ In addition, three maps were provided by KU showing the proposed changes to the service territory, and signed and dated by representatives of KU and Salt River Electric; a Bardstown quadrant map,¹⁵ a Kays Lane site map,¹⁶ and a Farmaway Drive site map.¹⁷

In reviewing the application, the Commission finds that KU and Salt River Electric 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 agreement to redraw the territorial boundaries between KU and Salt River Electric for the five parcels of land off Kays Lane and one parcel near Farmaway Drive in Bardstown, Kentucky is approved.

¹⁴ Application, Exhibit 1 at 2.

¹⁵ Application, 03-Application_Exhibit_2_-_Bardstown_Quadrant_Map_27-F-3.pdf.

¹⁶ Application, 04-Application_Exhibit_3_-_Kays_Lane_Site_Map.pdf.

¹⁷ Application, 05-Application_Exhibit_3a_-_Farmaway_Drive_Site_Map.pdf.

2. The revised quadrant map, a copy of which was filed with the application, reflects the agreed upon boundary changes by KU and Salt River Electric and shall be maintained by the Commission as the official territorial boundary.

3. This case is closed and removed from the Commission's docket.

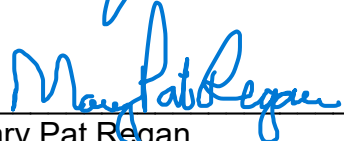
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Entered on this 24th day of April, 2026.

PUBLIC SERVICE COMMISSION



Angie Hatton
Chair



Mary Pat Regan
Commissioner



Andrew W. Wood
Commissioner

ATTEST:



Linda C. Bridwell, PE
Executive Director

Service List for 2026-00024

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