

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	)	2026-00140
GRASS ENERGY COOPERATIVE	)	
CORPORATION	)	

ORDER

On July 7, 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 Centerville quadrant map to reflect the agreement between KU and Blue Grass Energy Cooperative Corporation (Blue Grass Energy) (jointly, Joint Applicants) for territorial changes of six parcels located off South Taylor Lane near Georgetown, Kentucky.¹

Joint Applicants responded to two requests for information.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

An existing homeowner on parcel No. 257-00-006.000 requested permanent electric service from KU, and KU determined the prospective customer was located within

¹ Application (filed July 7, 2026) at 3.

² Joint Applicants' Response to Commission Staff's First Request for Information (Staff's First Request) (filed July 27, 2026); Joint Applicants' Response to Commission Staff's Second Request for Information (Staff's Second Request) (filed Aug. 24, 2025).

KU service territory.³ However, due to tree-clearing and configuration of the existing KU electric utility facilities in the area, it was determined that Blue Grass Energy could extend its electrical service at a lower cost than KU.⁴ Therefore, KU agreed to transfer the territory in parcel No. 257-00-006.000 to Blue Grass Energy to provide service to the customer.⁵

Joint Applicants also agreed to follow parcel boundaries and correct split territories in the immediate area of parcel No. 257-00-006.000.⁶ The service territory line arbitrarily splits parcel Nos. 257-00-006.001, 256-00-009.000, 256-00-014.000, 256-00-015.000 and 257-00-001.000, with structures within those parcels currently in Blue Grass Energy territory and serviced by Blue Grass Energy.⁷ KU does not have any structures receiving service within those parcels, and agreed to transfer its service territory currently located within the parcels.⁸ This transfer will permit Blue Grass Energy to provide electrical service to any future structures in the aforementioned parcels.⁹

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,

³ Application at 3.

⁴ Application at 3.

⁵ Application at 3.

⁶ Application at 3.

⁷ Application at 3.

⁸ Application at 3-4.

⁹ Application at 3-4.

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.¹⁰

In addition, no retail electric service supplier may furnish retail electric service in the certified territory of another retail electric supplier.¹¹

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.¹²

DISCUSSION AND FINDINGS

Having considered the application and evidence on the record, the Commission finds that the agreement between Joint Applicants will promote the purposes of KRS 278.016 and will allow the utilities to provide adequate and reasonable service to all areas and existing consumers; therefore, the Commission finds that the application should be granted and the agreement between the parties approved.

¹⁰ KRS 278.016.

¹¹ KRS 278.016.

¹² KRS 278.018(6).

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 Joint Applicants.¹³ Two maps, a Centerville quadrant map¹⁴ and a site map,¹⁵ both signed and dated by representatives of Joint Applicants, were provided by KU showing the proposed changes to the service territory. In addition, Joint Applicants provided sufficient information regarding the expense to serve the customer, supporting the factual basis for the transfer of the territory.¹⁶

Joint Applicants have demonstrated that the proposed territorial changes would avoid wasteful duplication of distribution facilities; would avoid unnecessary 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.

IT IS THEREFORE ORDERED that:

1. The agreement to change the territorial boundaries between KU and Blue Grass Energy on six parcels located off South Taylor Lane near Georgetown, Kentucky, is approved.
2. The revised Centerville quadrant map, a copy of which was filed with the Application, reflects the agreed upon boundary changes by KU and Blue Grass Energy and shall be maintained by the Commission as the official territorial boundary.

¹³ Application, Exhibit 1 at 2.

¹⁴ Application, Exhibit 2.

¹⁵ Application, Exhibit 3 See Joint Applicants' Response to Staff's First Request, Item 1 at 3, correcting coordinates for point nine to Point X: 84.43356 and Point Y: 38.21354.

¹⁶ Joint Applicants' Response to Staff's Second Request, Item 1.

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

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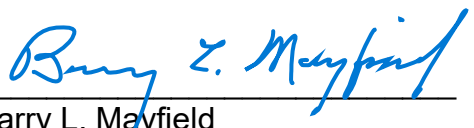
Entered on this 23rd day of September, 2026.

PUBLIC SERVICE COMMISSION



Angie Hatton
Chair

Mary Pat Regan
Vice Chair

Andrew W. Wood
Commissioner

Barry L. Mayfield
Commissioner

ATTEST:



Justin McNeil
Executive Director

Case No. 2026-00140

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