

CHAPTER 12**(SB 118)**

AN ACT relating to the sale of electric power from cooperatives to municipalities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 279.120 is amended to read as follows:

- (1) Except as provided in subsections (2) and (3) of this section, corporations formed under this chapter shall supply electric energy, furnish services and sell personal property, except that transferred in part payment for other personal property, to their members only.
- (2) Except as provided in subsection (3) of this section and in KRS 279.125, any corporation formed under this chapter may supply electric energy, furnish services and sell property, to the extent of not more than forty-nine percent (49%) of its total business, to nonmembers of the corporation, including any federal agency, any ~~other~~ state, and any county, city or political subdivision ~~thereof~~.
- (3) A corporation formed under this chapter may sell and lease back any part or all of its property free of the restrictions contained in subsections (1) and (2) of this section, or any other section of the Kentucky Revised Statutes except that such sale shall be subject to KRS 279.140.

Section 2. KRS 279.125 is amended to read as follows:

Notwithstanding the provisions of any other section of the Kentucky Revised Statutes, ***unless specific authorization is granted by the Public Service Commission***, no corporation formed under this chapter shall transmit, distribute or furnish electric energy for resale, either directly or indirectly, to any electric utility now or hereafter owned or controlled, in whole or in part, by any municipality or municipalities, or instrumentalities thereof, incorporated on June 21, 1974, except to any such electric utility to which such corporation's electric facilities are physically connected on June 21, 1974; and provided, further, that no provision herein shall prevent a corporation organized under this chapter from interconnecting for exchanges of energy with any such municipal utility which, on June 21, 1974, owns and operates electric generating facilities adequate to supply the electric requirements of the municipality. ***The required authorization as used in this section shall not be construed to extend the jurisdiction of the Public Service Commission over municipally owned electric systems.***

Approved March 22, 2004