

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**JOINT ELECTRONIC APPLICATION OF)
LOUISVILLE GAS AND ELECTRIC)
COMPANY, MEADE COUNTY RURAL)
ELECTRIC COOPERATIVE CORPORATION,)
AND BIG RIVERS ELECTRIC CORPORATION)
FOR APPROVAL OF AN AGREEMENT)
MODIFYING AN EXISTING TERRITORIAL)
BOUNDARY MAP AND ESTABLISHING)
MEADE COUNTY RECC AS THE RETAIL)
ELECTRIC SUPPLIER FOR NUCOR)
CORPORATION’S PROPOSED STEEL PLATE)
MILL IN BUTTERMILK FALLS INDUSTRIAL)
PARK IN MEADE COUNTY, KENTUCKY)**

CASE NO: 2019-00370

JOINT APPLICATION

Pursuant to KRS 278.018(6), Louisville Gas and Electric Company (“LG&E”), Meade County Rural Electric Cooperative Corporation (“Meade RECC”), and Big Rivers Electric Corporation (“Big Rivers”) (collectively, the “Joint Applicants”), apply for approval of an agreement modifying an existing territorial boundary map and designating Meade RECC as the exclusive retail electric supplier to serve a disputed area in and around the Buttermilk Falls Industrial Park in Meade County, Kentucky, except for retail electric power service at 34.5 kV and higher to the existing Monument Chemical facility, regardless of changes in ownership, which LG&E will continue to serve.

In support of the Application, the Joint Applicants state:

1. The full name and business address of LG&E is: Louisville Gas and Electric Company, Post Office Box 32010, 220 West Main Street, Louisville, Kentucky 40202. LG&E may be reached by electronic mail at the electronic mail addresses of its counsel set forth below.

2. LG&E was incorporated under the laws of Kentucky on July 2, 1913, and is currently in good standing in Kentucky.

3. LG&E is a public utility as defined in KRS 278.010(3)(a) and is engaged in the electric and gas business. LG&E generates and purchases electricity, and distributes and sells electricity at retail in Jefferson County and portions of Bullitt, Hardin, Henry, Meade, Oldham, Shelby, Spencer, and Trimble Counties. It also purchases, stores, and transports natural gas and distributes and sells natural gas at retail in Jefferson County and portions of Barren, Bullitt, Green, Hardin, Hart, Henry, Larue, Marion, Meade, Metcalfe, Nelson, Oldham, Shelby, Spencer, Trimble, and Washington Counties. LG&E is a retail electric supplier as defined in KRS 278.010(4).

4. The full name and business address of Meade RECC is: Meade County Rural Electric Cooperative Corporation, 1351 Highway 79, Post Office Box 489, Brandenburg, Kentucky 40108. Meade RECC may be reached by electronic mail at the electronic mail addresses of its counsel set forth below.

5. Meade RECC was incorporated under the laws of Kentucky on June 4, 1937, and is currently in good standing in Kentucky.

6. Meade RECC is a rural electric cooperative corporation organized pursuant to KRS Chapter 279 and a cooperative member and an owner of Big Rivers. Meade RECC provides retail electric service to the counties of Breckinridge, Grayson, Hancock, Hardin, Meade, and Ohio. Pursuant to KRS 279.210, Meade RECC is subject to the general supervision of the Public Service Commission and to the provisions of KRS 278.010 to 278.450 and KRS 278.990. Meade RECC is a retail electric supplier as defined in KRS 278.010(4).

7. The full name and business address of Big Rivers is: Big Rivers Electric Corporation, Post Office Box 24, Henderson, Kentucky 42419. Big Rivers may be reached by electronic mail at the electronic mail addresses of its counsel set forth below.

8. Big Rivers was incorporated in Kentucky on June 14, 1961, and is currently in good standing in Kentucky.

9. Big Rivers is a rural electric cooperative corporation organized pursuant to KRS Chapter 279, is a member-owned, not-for-profit, generation and transmission cooperative owned by its three member cooperatives, including Meade RECC, and supplies the wholesale power needs of its member cooperatives. Pursuant to KRS 279.210, Big Rivers is subject to the general supervision of the Public Service Commission and to the provisions of KRS 278.010 to 278.450 and KRS 278.990.

10. In 1972 the Kentucky General Assembly enacted the Certified Territories Act, KRS 278.016 to KRS 278.020, which divided the Commonwealth of Kentucky into geographical areas within which each retail electric supplier is to provide retail electric service. KRS 278.018(4) prohibits a retail electric supplier from furnishing, making available, rendering, or extending its retail electric service to a consumer for use in electric consuming facilities located within the certified territory of another retail electric supplier, except as provided in KRS 278.018(3).

11. The Public Service Commission has on file a territorial boundary map known as “MAUCKPORT, IND.-KY: 24-E-3A” (“Map 24-E-3A”), a copy of which is attached as Exhibit 1 to the Settlement Agreement and Contract Pursuant to KRS 278.018(6) filed with this application, contains the following notation: “Future Industrial Loads in the Area Presently Owned Olin Corp. Requiring 34.5 KV or Higher To Be Served by L.G.&E [sic]. All Other

Loads Below This Requirement To Be Served By Meade R.E.C.C.” Arrows are drawn on Map 24-E-3A from this notation that point to the general area of the present-day Buttermilk Falls Industrial Park. Pursuant to 807 KAR 5:001, Section 13, an unredacted version of Exhibit 1 to the Settlement Agreement is provided under seal with the Joint Applicants’ Petition for Confidential Protection.

12. Except for the existing Monument Chemical facility, there are currently no electric consuming facilities within the area of the present-day Buttermilk Falls Industrial Park that require 34.5 kV electric service nor are any such facilities known to have ever been located in that area. The Monument Chemical facility currently takes electric service at 69 kV from LG&E.

13. On March 27, 2019, Nucor Corporation (“Nucor”) announced its intention to construct a steel plate mill in the Buttermilk Falls Industrial Park. The proposed facility represents a \$1.3 billion investment in the Kentucky economy and is expected to create approximately 400 new jobs, with an average annual salary of \$72,000.

14. A dispute exists among the Joint Applicants as to which retail electric supplier – Meade RECC or LG&E – has the right to provide retail electric service to the proposed Nucor facility in the Buttermilk Falls Industrial Park area delineated by arrows on Map 24-E-3A (the “Disputed Territory”).

15. After extensive negotiations, the Joint Applicants have resolved their dispute and entered into the “Settlement Agreement and Contract Pursuant to KRS 278.018(6),” (“Settlement Agreement”) attached hereto as Exhibit 1. In exchange for valuable consideration and to avoid protracted and costly litigation to resolve the territorial dispute, LG&E has agreed to relinquish any claim to serve the proposed Nucor facility and to accept revisions to Map 24-E-3A under

which Meade RECC will be the exclusive retail electric service provider in the Disputed Territory, including the Nucor facility, with the exception of 34.5 kV service and higher to the existing Monument Chemical facility, regardless of changes in ownership, which LG&E will continue to serve. The Joint Applicants consider certain sections of the Settlement Agreement and Contract Pursuant to KRS 278.018(6) to be confidential and proprietary and are by separate petition requesting confidential protection of those sections. Accordingly, those sections have been redacted in the attached version of Exhibit 1. Pursuant to 807 KAR 5:001, Section 13, an unredacted version of Exhibit 1 is provided under seal with the Joint Applicants' Petition for Confidential Protection.

16. Upon the Public Service Commission's approval of the Agreement, a revised version of Map 24-E-3A, a copy of which is attached as Exhibit 2 to the Agreement, will be substituted for and replace the existing Map 24-E-3A. The boundaries depicted on the revised Map 24-E-3A show that the Disputed Territory, including the proposed Nucor facility, as being within Meade RECC's certified territory.¹ Pursuant to 807 KAR 5:001, Section 13, an unredacted version of Exhibit 2 to the Agreement is provided under seal with the Joint Applicants' Petition for Confidential Protection.

17. The Agreement is consistent with and promotes the purposes of KRS 278.016 by allowing orderly development of retail electric service to the areas at issue, avoiding wasteful duplication of facilities and unnecessary encumbering of the landscape, preventing the waste of materials and natural resources, and minimizing disputes over electric service in these areas. It is a fair, just, and reasonable resolution to the Joint Applicants' dispute, serves the interests of the public and all interested parties, including Nucor, avoids prolong and costly litigation, and

¹ LG&E will continue to serve the Monument Chemical facility, regardless of changes in ownership, with retail electric power service at 34.5 kV and higher.

ensures that the Disputed Territory, including the proposed Nucor facility, will receive adequate and reasonable service in a timely manner.

18. Given the urgency to resolve the Joint Applicants' dispute and allow for the planning and construction of the facilities necessary to serve the Buttermilk Falls Industrial Park and to assure Nucor that electric power will be available to the proposed facility at its scheduled start of commercial operations, the Joint Applicants request that the Public Service Commission place this matter at the head of its docket and render a final decision on this Application within 30 days.

WHEREFORE, the Joint Applicants respectfully request that the Public Service Commission:

1. Approve the Settlement Agreement and Contract Pursuant to KRS 278.018(6) in its entirety and without modification or revision;
2. Authorize the replacement of the existing Map 24-E-3A with the revised version of Map 24-E-3A, which is set forth at Exhibit 2 to the Settlement Agreement, subject to the terms of the Settlement Agreement and Contract Pursuant to KRS 278.018(6);
3. Place this matter to the top of its docket and render a final decision on this Application by December 20, 2019; and,
4. Grant any other relief deemed necessary and appropriate.

Dated: October 18, 2019

By: Allyson K. Sturgeon

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CERTIFICATE OF COMPLIANCE

In accordance with 807 KAR 5:001 Section 8(7), this is to certify that the Joint Applicants' October __ 18, 2019 electronic filing is a true and accurate copy of the Application being filed in paper medium; that the electronic filing has been transmitted to the Commission on October 18, 2019; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that an original is being hand-delivered to the Commission on October 18, 2019.



Counsel for Louisville Gas and Electric Company