

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>ELECTRONIC JOINT APPLICATION OF</b>	)	
<b>KENTUCKY UTILITIES COMPANY, NOLIN</b>	)	
<b>RURAL ELECTRIC COOPERATIVE</b>	)	
<b>CORPORATION, AND EAST KENTUCKY</b>	)	
<b>POWER COOPERATIVE, INC. FOR APPROVAL</b>	)	<b>CASE NO. 2021-00482</b>
<b>OF AN AGREEMENT MODIFYING AN</b>	)	
<b>EXISTING TERRITORIAL BOUNDARY MAP</b>	)	
<b>AND ESTABLISHING THE RETAIL ELECTRIC</b>	)	
<b>SUPPLIER FOR GLENDALE MEGASITE IN</b>	)	
<b>HARDIN COUNTY, KENTUCKY</b>	)	

**RESPONSE OF**  
**KENTUCKY UTILITIES COMPANY**  
**TO**  
**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**  
**DATED JANUARY 5, 2022**

**FILED: JANUARY 12, 2022**


**VERIFICATION**

**COMMONWEALTH OF KENTUCKY** )  
 )  
**COUNTY OF JEFFERSON** )

The undersigned, **Lonnie E. Bellar**, being duly sworn, deposes and says that he is Chief Operating Officer for Kentucky Utilities Company and an employee of LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge, and belief.

  
\_\_\_\_\_  
**Lonnie E. Bellar**

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 11<sup>th</sup> day of January 2022.

  
\_\_\_\_\_  
Notary Public  
Notary Public ID No. 603967


My Commission Expires:

July 11, 2022

**VERIFICATION**

**COMMONWEALTH OF KENTUCKY**     )  
  )  
**COUNTY OF JEFFERSON**             )


The undersigned, **Robert M. Conroy**, being duly sworn, deposes and says that he is Vice President, State Regulation and Rates, for Kentucky Utilities Company and an employee of LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge, and belief.




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**Robert M. Conroy**

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 11<sup>th</sup> day of January 2022.




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Notary Public

Notary Public, ID No. 603967

My Commission Expires:

July 11, 2022

VERIFICATION

COMMONWEALTH OF KENTUCKY )  
 )  
COUNTY OF JEFFERSON )

The undersigned, **Christopher M. Garrett**, being duly sworn, deposes and says that he is Controller for Kentucky Utilities Company and an employee of LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge, and belief.

DocuSigned by:  
*Christopher M. Garrett*  
5B353C6395DE4D7...  
Christopher M. Garrett

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 11<sup>th</sup> day of January 2022.

*Judy Schuster*  
Notary Public

Notary Public ID No. 603967

My Commission Expires:

July 11, 2022

VERIFICATION

COMMONWEALTH OF KENTUCKY )
)
COUNTY OF JEFFERSON )

The undersigned, Elizabeth J. McFarland, being duly sworn, deposes and says that she is Vice President, Transmission, for Kentucky Utilities Company and an employee of LG&E and KU Services Company, and that she has personal knowledge of the matters set forth in the responses for which she is identified as the witness, and the answers contained therein are true and correct to the best of her information, knowledge, and belief.

Handwritten signature of Elizabeth J. McFarland

Elizabeth J. McFarland

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 11th day of January 2022.

Handwritten signature of Judy Schooler

Notary Public

Notary Public ID No. 603967

My Commission Expires:

Handwritten date: July 14, 2022

VERIFICATION

COMMONWEALTH OF KENTUCKY )

COUNTY OF JEFFERSON )

The undersigned, John K. Wolfe, being duly sworn, deposes and says that he is Vice President, Electric Distribution for Kentucky Utilities Company and an employee of LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge, and belief.

*John K. Wolfe*  
\_\_\_\_\_  
John K. Wolfe

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 12<sup>th</sup> day of January 2022.

*Judy Scholer*  
\_\_\_\_\_  
Notary Public

Notary Public ID No. 603967

My Commission Expires:  
July 11, 2022

**CONFIDENTIAL INFORMATION REDACTED**

**KENTUCKY UTILITIES COMPANY**

**Response to Commission Staff's First Request for Information  
Dated January 5, 2022**

**Case No. 2021-00462**

**Question No. 1**

**Responding Witness: Elizabeth J. McFarland**

- Q-1. Provide projected costs for KU extending service to the Glendale MegaSite.
- A-1. KU continues to work with the Customer to finalize electrical requirements including electric demand and other design specifications to meet the short and long term service needs of the Glendale Megasite.

For the proposed construction load, KU has an existing 69kV transmission line adjacent to the western boundary of the Glendale site with capacity to serve the immediate construction power. In addition to 69kV service, KU has existing 345kV electric transmission facilities approximately 3 miles North of the Glendale site that has ample capacity to reliably serve the entire Glendale Megasite load.

To fully meet the capacity and reliability needs of the project, KU is extending service in and out of the Glendale Megasite from an existing 345kV transmission line to a new transmission substation. The 345kV substation to be installed at the Glendale site will be a facility that is owned, operated, and controlled by KU.

Certain information requested is confidential and proprietary and is being provided under seal pursuant to a petition for confidential protection. From preliminary design criteria provided by the Customer at the time of initial proposal, KU estimated it would cost approximately \$[REDACTED] to extend electric transmission service to the Glendale Megasite. In addition, it was estimated to cost approximately \$[REDACTED] to remove and relocate the EKPC facilities from the site.

Costs are expected to increase as detailed engineering and design is updated and finalized.

**KENTUCKY UTILITIES COMPANY**

**Response to Commission Staff's First Request for Information  
Dated January 5, 2022**

**Case No. 2021-00462**

**Question No. 2**

**Responding Witness: Elizabeth J. McFarland**

- Q-2. Provide all documents, studies, and workpapers supporting the projected costs for KU extending service to the Glendale MegaSite.
- A-2. See attached for projected costs to extend service to the Glendale Megasite, which includes preliminary needs for temporary construction power as well as substation and line facilities. Certain information requested is confidential and proprietary and is being provided under seal pursuant to a petition for confidential protection.



Confidential Information Redacted

Function	2021	2022	2023	2024	2025	TOTAL
Transmission Lines	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Transmission Lines - EKPC RELO	\$ -	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ -	\$ [REDACTED]
Transmission Subs	\$ -	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
345kV Transformers		\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]		\$ [REDACTED]
Total T&D Cost	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]

**Estimate WBS Output**

Project Name	Glendale Option 1
Project Number	[Enter Project Number]
Company	KU
Category-Code	[Select]
Current Estimate	Stage 1

	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Variance From Previous Stage
<b>ENGINEERING</b>	\$ [REDACTED]	\$ -	\$ -	\$ -	\$ -	\$ -
Company Labor	\$ [REDACTED]	\$ -	\$ -	\$ -	\$ -	\$ -
Engineering Contract Labor Invest	\$ [REDACTED]	\$ -	\$ -	\$ -	\$ -	\$ -
Warehouse Materials Invest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased Materials Invest	\$ [REDACTED]	\$ -	\$ -	\$ -	\$ -	\$ -
<b>CONSTRUCTION</b>						
Company Labor	\$ [REDACTED]	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Contract Labor Invest	\$ [REDACTED]	\$ -	\$ -	\$ -	\$ -	\$ -
Company Labor Retirement/Removal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contract Labor Retirement/Removal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>P&amp;C</b>						
Company Labor	\$ [REDACTED]	\$ -	\$ -	\$ -	\$ -	\$ -
P&C Contract Labor Invest	\$ [REDACTED]	\$ -	\$ -	\$ -	\$ -	\$ -
Company Labor Retirement/Removal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contract Labor Retirement/Removal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>OTHER</b>						
Salvage Materials	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reimbursement Invest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reimbursement Retirement/Removal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Invest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Estimate Output**

<b>Project Name</b>	Glendale Tap #1
<b>Project Number</b>	0
<b>Company</b>	KU
<b>Category-Code</b>	[Select]
<b>Current Estimate</b>	Stage 1

	Lines	Substation
Labor Factor	1.00	1.00
Materials Factor	1.00	1.00

		COMBINED ESTIMATE	LINES ESTIMATE	SUBSTATION ESTIMATE
Totals		Amount	Amount	Amount
Company Labor Invest-Engineering	0101			
Company Labor Invest-Construction	0101			
Company Labor Invest-P&C	0101			
Warehouse Materials Invest	0281			
Contract Labor Invest-Engineering-Supplemental	0317			
Contract Labor Invest-Engineering-Non-Supplemental	0308			
Contract Labor Invest-Construction-Supplemental	0304			
Contract Labor Invest-Construction-Non-Supplemental	0301			
Contract Labor Invest-P&C-Supplemental	0318			
Purchased Materials Invest	0451			
Other Invest	0699			
Reimbursement Invest	0676			
Company Labor Retirement/Removal-Construction	0101			
Company Labor Retirement/Removal-P&C	0101			
Contract Labor Retirement/Removal-Construction-Supplemental	0304			
Contract Labor Retirement/Removal-Construction-Non-Supplemental	0301			
Contract Labor Retirement/Removal-P&C-Supplemental	0318			
Reimbursement Retirement/Removal	0675			
<b>SUBTOTAL (Raw)</b>				
BURDENS - Company Labor	\$			
BURDENS - Material				
BURDENS - All Else	%			
SALES TAX (0%)				
AFUDC - CALCULATED IN CASH FLOW				
<b>SUBTOTAL (Burdened)</b>				
CONTINGENCY				
ESCALATION	\$			
<b>TOTAL ESTIMATED COST (Burdened + Cont)</b>				
REIMBURSEMENT				
<b>NET PROJECT COST</b>				
<b>AUTHORIZED AMOUNT</b>				

Engineering / Project Management	EXP TYPE	Total Estimate		
		Total Estimate	Lines	Substation
Company Labor Invest	E/PM0101			
Salvage Materials	E/PM0206			
Warehouse Materials Invest	E/PM0286			
Non-Supplemental Contract Labor Invest	E/PM0308			
Supplemental Contract Labor Invest	E/PM0317			
Purchased Materials Invest	E/PM0456			
Other Invest	E/PM0699			
Contingency Invest	E/PM0680			
Company Labor Retirement/Removal	E/PMR0101			
<b>Permitting &amp; Land Rights</b>				
Company Labor Invest	P&L0101			
Salvage Materials	P&L0206			
Warehouse Materials Invest	P&L0286			
Contract Labor Invest	P&L0301			
Supplemental Contract Labor Invest	P&L0304			
Purchased Materials Invest	P&L0456			
Other Invest	P&L0699			
Contingency Invest	P&L0680			
Company Labor Retirement/Removal	P&LR0101			
<b>Civil Construction</b>				
Company Labor Invest	CIV0101			
Salvage Materials	CIV0206			
Warehouse Materials Invest	CIV0286			
Contract Labor Invest	CIV0301			
Supplemental Contract Labor Invest	CIV0304			
Purchased Materials Invest	CIV0456			
Other Invest	CIV0699			
Contingency Invest	CIV0680			
Company Labor Retirement/Removal	CIVR0101			
<b>Below Grade Construction</b>				
Company Labor Invest	BGC0101			
Salvage Materials	BGC0206			
Warehouse Materials Invest	BGC0286			
Contract Labor Invest	BGC0301			
Supplemental Contract Labor Invest	BGC0304			
Purchased Materials Invest	BGC0456			
Other Invest	BGC0699			
Contingency Invest	BGC0680			
Company Labor Retirement/Removal	BGCR0101			
<b>Above Grade Construction</b>				
Company Labor Invest	AGC0101			
Salvage Materials	AGC0206			
Warehouse Materials Invest	AGC0286			
Contract Labor Invest	AGC0301			
Supplemental Contract Labor Invest	AGC0304			
Purchased Materials Invest	AGC0456			
Other Invest	AGC0699			
Contingency Invest	AGC0680			
Company Labor Retirement/Removal	AGCR0101			
<b>Electrical Control Construction</b>				
Company Labor Invest	ECC0101			
Salvage Materials	ECC0206			
Warehouse Materials Invest	ECC0286			
Supplemental P&C Contract Labor Invest	ECC0318			
Purchased Materials Invest	ECC0456			
Other Invest	ECC0699			
Contingency Invest	ECC0680			
Company Labor Retirement/Removal	ECCR0101			
P&C Contract Labor Retirement/Removal	ECCR0318			
<b>Retirements</b>				
Salvage Materials	RET0206			
Warehouse Materials Invest	RET0286			
Other Invest	RET0699			
Contingency Invest	RET0680			
Reimbursement Invest	RET0676			
Company Labor Retirement/Removal	RET0101			
Contract Labor Retirement/Removal	RET0301			
Supplemental Contract Labor Retirement/Removal	RET0304			
Reimbursement Retirement/Removal	RET0675			

Estimate Output

<b>Project Name</b>	Glendale Opt 1 -Tap #2
<b>Project Number</b>	0
<b>Company</b>	KU
<b>Category-Code</b>	[Select]
<b>Current Estimate</b>	Stage 1

	Lines	Substation
Labor Factor	1.00	1.00
Materials Factor	1.00	1.00

		COMBINED ESTIMATE      LINES ESTIMATE      SUBSTATION ESTIMATE		
		Amount	Amount	Amount
<b>Totals</b>				
Company Labor Invest-Engineering	0101			
Company Labor Invest-Construction	0101			
Company Labor Invest-P&C	0101			
Warehouse Materials Invest	0281			
Contract Labor Invest-Engineering-Supplemental	0317			
Contract Labor Invest-Engineering-Non-Supplemental	0308			
Contract Labor Invest-Construction-Supplemental	0304			
Contract Labor Invest-Construction-Non-Supplemental	0301			
Contract Labor Invest-P&C-Supplemental	0318			
Purchased Materials Invest	0451			
Other Invest	0699			
Reimbursement Invest	0676			
Company Labor Retirement/Removal-Construction	0101			
Company Labor Retirement/Removal-P&C	0101			
Contract Labor Retirement/Removal-Construction-Supplemental	0304			
Contract Labor Retirement/Removal-Construction-Non-Supplemental	0301			
Contract Labor Retirement/Removal-P&C-Supplemental	0318			
Reimbursement Retirement/Removal	0675			
<b>SUBTOTAL (Raw)</b>				
BURDENS - Company Labor		\$	\$	
BURDENS - Material				
BURDENS - All Else				
SALES TAX (0%)				
AFUDC - CALCULATED IN CASH FLOW				
<b>SUBTOTAL (Burdened)</b>				
CONTINGENCY				
ESCALATION		\$	\$	
<b>TOTAL ESTIMATED COST (Burdened + Cont)</b>				
REIMBURSEMENT				
<b>NET PROJECT COST</b>				
<b>AUTHORIZED AMOUNT</b>				

Engineering / Project Management	EXP TYPE	Total Estimate		
		Total Estimate	Lines	Substation
Company Labor Invest	E/PM0101			
Salvage Materials	E/PM0206			
Warehouse Materials Invest	E/PM0286			
Non-Supplemental Contract Labor Invest	E/PM0308			
Supplemental Contract Labor Invest	E/PM0317			
Purchased Materials Invest	E/PM0456			
Other Invest	E/PM0699			
Contingency Invest	E/PM0680			
Company Labor Retirement/Removal	E/PMR0101			
<b>Permitting &amp; Land Rights</b>				
Company Labor Invest	P&L0101			
Salvage Materials	P&L0206			
Warehouse Materials Invest	P&L0286			
Contract Labor Invest	P&L0301			
Supplemental Contract Labor Invest	P&L0304			
Purchased Materials Invest	P&L0456			
Other Invest	P&L0699			
Contingency Invest	P&L0680			
Company Labor Retirement/Removal	P&LR0101			
<b>Civil Construction</b>				
Company Labor Invest	CIV0101			
Salvage Materials	CIV0206			
Warehouse Materials Invest	CIV0286			
Contract Labor Invest	CIV0301			
Supplemental Contract Labor Invest	CIV0304			
Purchased Materials Invest	CIV0456			
Other Invest	CIV0699			
Contingency Invest	CIV0680			
Company Labor Retirement/Removal	CIVR0101			
<b>Below Grade Construction</b>				
Company Labor Invest	BGC0101			
Salvage Materials	BGC0206			
Warehouse Materials Invest	BGC0286			
Contract Labor Invest	BGC0301			
Supplemental Contract Labor Invest	BGC0304			
Purchased Materials Invest	BGC0456			
Other Invest	BGC0699			
Contingency Invest	BGC0680			
Company Labor Retirement/Removal	BGCR0101			
<b>Above Grade Construction</b>				
Company Labor Invest	AGC0101			
Salvage Materials	AGC0206			
Warehouse Materials Invest	AGC0286			
Contract Labor Invest	AGC0301			
Supplemental Contract Labor Invest	AGC0304			
Purchased Materials Invest	AGC0456			
Other Invest	AGC0699			
Contingency Invest	AGC0680			
Company Labor Retirement/Removal	AGCR0101			
<b>Electrical Control Construction</b>				
Company Labor Invest	ECC0101			
Salvage Materials	ECC0206			
Warehouse Materials Invest	ECC0286			
Supplemental P&C Contract Labor Invest	ECC0318			
Purchased Materials Invest	ECC0456			
Other Invest	ECC0699			
Contingency Invest	ECC0680			
Company Labor Retirement/Removal	ECCR0101			
P&C Contract Labor Retirement/Removal	ECCR0318			
<b>Retirements</b>				
Salvage Materials	RET0206			
Warehouse Materials Invest	RET0286			
Other Invest	RET0699			
Contingency Invest	RET0680			
Reimbursement Invest	RET0676			
Company Labor Retirement/Removal	RET0101			
Contract Labor Retirement/Removal	RET0301			
Supplemental Contract Labor Retirement/Removal	RET0304			
Reimbursement Retirement/Removal	RET0675			

**Glendale Super Site**

Transmission Lines Estimates

**EKPC Relocation**

Assumptions

- substation located in the Northwest corner of property
- 2.11 miles of relocated EKPC 69kV transmission line
- KU 345kV line moved to parallel relocated EKPC line
- KU 345kV line located 100' off Glendale site property line
- EKPC 69kV centerline located 100' from KU centerline
- r/w purchase will not be required
- 5% of new r/w will require vegetation removal
- railroad and highway crossing may require permitting

Total            \$ [REDACTED]

**KENTUCKY UTILITIES COMPANY**

**Response to Commission Staff's First Request for Information  
Dated January 5, 2022**

**Case No. 2021-00462**

**Question No. 3**

**Responding Witness: Not Applicable**

- Q-3. Provide projected costs for Nolin RECC extending service to the Glendale MegaSite.
  
- A-3. Response will be provided by Nolin Rural Electric Cooperative Corporation and East Kentucky Power Cooperative, Inc.



**KENTUCKY UTILITIES COMPANY**

**Response to Commission Staff's First Request for Information  
Dated January 5, 2022**

**Case No. 2021-00462**

**Question No. 4**

**Responding Witness: Not Applicable**

- Q-4. Provide all documents, studies, and workpapers supporting the projected costs for Nolin RECC extending service to the Glendale MegaSite.
  
- A-4. Response will be provided by Nolin Rural Electric Cooperative Corporation and East Kentucky Power Cooperative, Inc.

**KENTUCKY UTILITIES COMPANY**

**Response to Commission Staff's First Request for Information  
Dated January 5, 2022**

**Case No. 2021-00462**

**Question No. 5**

**Responding Witness: Lonnie E. Bellar**

- Q-5. Refer to the Application, Exhibit 1, Joint Settlement Agreement, page 5.
- a. Provide an explanation for how this settlement sum was determined.
  - b. Provide all documents, studies, and workpapers supporting the determination of the settlement sum.
- A-5.
- a. The settlement sum was negotiated at arm's length between the Joint Applicants based on their respective assessment of their litigation positions, and the possible outcomes of litigating their dispute under the Territorial Boundary Act. The Joint Applicants worked to settle this matter quickly and efficiently to further the interests of the public and the Commonwealth in the light of this extraordinary economic development opportunity.
  - b. KU does not have any documents responsive to this part b.

# KENTUCKY UTILITIES COMPANY

## Response to Commission Staff's First Request for Information Dated January 5, 2022

Case No. 2021-00462

### Question No. 6

#### Responding Witness: Robert M. Conroy

- Q-6. Refer to the Application, Exhibit 1, Joint Settlement Agreement, page 1. Describe the nature of the issue or disagreement regarding territorial boundaries that precipitated the creation of the Joint Settlement Agreement.
- A-6. KU and Nolin RECC both serve portions of the economic development site known as Glendale MegaSite and the surrounding areas. KU's affiliated utility, LG&E, also serves this location and the surrounding areas. The disagreement arose as to which retail electric supplier should serve the now-announced single largest economic development project in the history of Kentucky, the construction and operation of two electric battery plants on the Glendale MegaSite by Ford Motor Co. and SK Innovation representing a \$5.8 billion investment and the creation of approximately 5,000 jobs. Joint Applicants acknowledged that attempting to jointly serve portions of the Ford plants was impractical and highly likely to be a continuous source of contention. Joint Applicants also acknowledged that litigating the dispute would not resolve the dispute in a timely manner and doing so would likely cause Ford Motor to consider alternative sites in other states, causing the Commonwealth and the public to lose the significant benefits from this historic opportunity. After assessing their respective litigation positions and the best interest of the public and the Commonwealth, Joint Applicants worked toward a resolution to allow one retail electric supplier to serve the Ford plants in exchange for equitable consideration. The Joint Settlement Agreement represents an equitable resolution of the issues and is the best interest of the public and the Commonwealth.

**KENTUCKY UTILITIES COMPANY**

**Response to Commission Staff's First Request for Information  
Dated January 5, 2022**

**Case No. 2021-00462**

**Question No. 7**

**Responding Witness: Not Applicable**

- Q-7. Refer to the Application, Exhibit 1, Joint Settlement Agreement, page 6. Provide all documents reflecting projected costs for moving or removing Nolin RECC and EKPC facilities.
  
- A-7. Response will be provided by Nolin Rural Electric Cooperative Corporation and East Kentucky Power Cooperative, Inc.

# KENTUCKY UTILITIES COMPANY

## Response to Commission Staff's First Request for Information Dated January 5, 2022

Case No. 2021-00462

### Question No. 8

#### Responding Witness: Robert M. Conroy

- Q-8. Refer to the Application, page 6, paragraph 18. State whether KU, for the purposes of the regulatory asset, is indicating the payments referenced in Sections 2 and 3 of the Settlement Agreement are extraordinary. If this can be confirmed, explain the reason KU believes the amounts are extraordinary for the purposes of meeting the criteria cited as “an extraordinary, nonrecurring expense which could not have reasonably been anticipated or included in the utility’s planning.”
- A-8. Confirmed. The amounts are extraordinary, nonrecurring costs because they will be incurred in connection with the resolution and development of the one-time, single largest economic development project in the history of Kentucky. They are also extraordinary because they are not ordinary expenses incurred in the typical course of business or even the typical course of economic development projects. They will not recur again or on an ongoing basis. As the Ford project at the Glendale MegaSite is the largest economic development project in the history of Kentucky, KU could not have predicted need for or the timing or magnitude of this investment and thus could not have included the payments referenced in Sections 2 and 3 of the Settlement Agreement in its planning or recent forecast test periods in the most recent rate cases.

Deferral accounting will match the cost of supporting this project with the timing of the expected benefits when the Ford battery plants come on line in 2025 and 2026.

KU’s request for the treatment of these costs as a regulatory asset is consistent with the Commission’s approval of a regulatory liability in Case No. 2019-00370 for the payment LG&E received from Big Rivers Electric Corporation in exchange for modifying a territorial boundary map involving a new industrial customer facility.

**KENTUCKY UTILITIES COMPANY**

**Response to Commission Staff's First Request for Information  
Dated January 5, 2022**

**Case No. 2021-00462**

**Question No. 9**

**Responding Witness: Christopher M. Garrett**

- Q-9. Explain in what account or accounts KU will record the proposed regulatory asset.
- A-9. Account 182.3, Other regulatory assets, will be utilized to record the proposed regulatory asset.

**KENTUCKY UTILITIES COMPANY**

**Response to Commission Staff's First Request for Information  
Dated January 5, 2022**

**Case No. 2021-00462**

**Question No. 10**

**Responding Witness: Christopher M. Garrett**

Q-10. Explain whether KU will seek carrying charges on the proposed regulatory asset

A-10. Yes, there is a financing cost associated with the expenditure of these funds. The weighted average cost of capital approved by the Commission in KU's most recent rate case is a reasonable proxy for the cost of these funds.

**KENTUCKY UTILITIES COMPANY**

**Response to Commission Staff's First Request for Information  
Dated January 5, 2022**

**Case No. 2021-00462**

**Question No. 11**

**Responding Witness: Robert M. Conroy**

- Q-11. Explain when Joint Applicants first became aware that the Glendale MegaSite was to be located in Nolin RECC's and KU's territories.
- A-11. While the territorial boundary lines were first established in 1978 and updated in 1982, the property supporting the Glendale MegaSite was not acquired until 2002 when the Commonwealth attempted to lure a Hyundai car factory. The site became certified as a "CSX MegaSite" in 2010 by McCallum Sweeney Consulting, a leading site selection consulting firm based in Greenville, S.C., meaning the site was ready for possible full-scale development. The Joint Applicants became aware of the designation of the Glendale property as a "CSX MegaSite" at that time. The site continued to be marketed for development as a single or multiple parcel location. Up until last year, Joint Applicants expected to resolve any boundary disputes concerning the development of the Glendale MegaSite through a reallocation of territory as necessary as the site was developed. Joint Applicants did not become aware of the serious interest in the single site development by Ford until last year.



**KENTUCKY UTILITIES COMPANY**

**Response to Commission Staff's First Request for Information  
Dated January 5, 2022**

**Case No. 2021-00462**

**Question No. 12**

**Responding Witness: John K. Wolfe**

- Q-12. Revise Exhibit 2.3 to the Application to include only the coordinates that define the new boundary line, excluding coordinates that are not on the new boundary line. The revised map should contain certified signatures and date of signing.
- A-12. See revised Application Exhibit 2.3.

The coordinates that are not on the new territorial boundary line have been removed. Note that for continuity purposes, existing coordinates have not been renumbered.

**KENTUCKY UTILITIES COMPANY**

**Response to Commission Staff's First Request for Information  
Dated January 5, 2022**

**Case No. 2021-00462**

**Question No. 13**

**Responding Witness: John K. Wolfe**

Q-13. Refer to the Application, Exhibit 2.3. It is not clear what point 10 connects to and whether points 18, 19, 20, 21, 22, 23, 24, 25, and 26 define a line with jogs in it. The revised Exhibit 2.3, discussed above, should clarify those issues.

A-13. See the response to Question No. 12.

KU confirms that points 18 – 21 and points 22 – 25 are not straight lines and the revised Application Exhibit 2.3 displays two inset maps.

**KENTUCKY UTILITIES COMPANY**

**Response to Commission Staff's First Request for Information  
Dated January 5, 2022**

**Case No. 2021-00462**

**Question No. 14**

**Responding Witness: John K. Wolfe**

- Q-14. Provide a map that defines the new and expanded KU boundary into Nolin RECC's service territory, and include the coordinate points and coordinate table. The map should be signed and dated. By way of explanation, according to the Application, Exhibit 2.2, the map should start at Coordinate 35 and end at Coordinate 83, as depicted in Exhibit 2.2.
- A-14. See attached a proposed Application Exhibit 2.6 to capture this additional area.

**KENTUCKY UTILITIES COMPANY**

**Response to Commission Staff's First Request for Information  
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**Case No. 2021-00462**

**Question No. 15**

**Responding Witness: John K. Wolfe**

- Q-15. Refer to the Application, Exhibit 3.8, which shows point 106 coincident with the existing service territory. This does not match the existing service territory boundary that was filed pursuant to Case No. 1994-00331.<sup>2</sup> If the existing line runs as indicated on Exhibit 3.8, and if you use 2020 imagery, there is a home on Hackberry Road that is serviced by KU and the rest are serviced by Nolin RECC.<sup>3</sup> Provide a corrected boundary map by revising Exhibit 3.8 or submitting a new map, and insert additional points that define the boundary in this area of the Lakewood subdivision. The map should be signed and dated.
- A-15. See attached a revised Application Exhibit 3.8.

KU confirms that the revised Exhibit 3.8 now matches the territory boundary line approved in Case No. 1994-00331.

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<sup>2</sup> Case No. 1994-00331, Application of Kentucky Utilities Company for Authorization of Changes In Service Territory with Blue Grass RECC, Clark RECC, Jackson Purchase ECC, Nolin RECC, and Salt River RECC (Ky. PSC Nov. 1, 1994).

<sup>3</sup>The boundary map can be viewed at <https://opengisdata.ky.gov/datasets/ky-electric-serviceareas-lines/explore>.

**KENTUCKY UTILITIES COMPANY**

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**Question No. 16**

**Responding Witness: Robert M. Conroy**

- Q-16. Refer to KRS 278.016, which states that the purpose of the electric service areas is “to avoid wasteful duplication of distribution facilities, to avoid unnecessary encumbering of the landscape of the Commonwealth of Kentucky, to prevent the waste of materials and natural resources.” Describe how the proposed boundary changes are better served by Nolin than KU, given the location of existing KU and Nolin distribution lines.
- A-16. The Settlement Agreement submitted by the Joint Applicants in part reflects a redistribution of territorial boundary changes to make clear that KU will provide retail electric service to the Ford Motor Company battery plants and Nolin RECC will serve surrounding areas that are reasonably expected to be commercially developed in support of the battery plants. The reallocation reflects an equitable exchange of land without affecting the current retail service to KU or Nolin customers.

**KENTUCKY UTILITIES COMPANY**

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**Question No. 17**

**Responding Witness: John K. Wolfe**

- Q-17. Refer to the Application, Exhibit 3.2. Provide maps that show the existing distribution lines and the following parcels with the new and old electric service area boundaries:
- a. Parcels 17 and 17a
  - b. Parcels 16 and 20
  - c. Parcels 6 and 24
  - d. Parcels 3, 4, 1, 12, 13, 9, and 10
  - e. Parcels 18, 19, 29, 28, 27, and 26
  - f. Parcels 7, 8, and 21
- A-17.
- a-f. See attached.

**KENTUCKY UTILITIES COMPANY**

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**Question No. 18**

**Responding Witness: Elizabeth J. McFarland / John K. Wolfe**

Q-18. Describe how KU will use its existing facilities to serve the Glendale MegaSite.

A-18. For the proposed construction load, KU has an existing 69kV transmission line adjacent to the western boundary of the Glendale site with capacity to serve the immediate construction power at the Glendale Megasite. In addition to 69kV service, KU has existing 345kV electric transmission facilities approximately 3 miles North of the Glendale site. Together these facilities have ample capacity to reliably serve the entire Glendale Megasite load.

The existing KU 69kv transmission line and 12kv distribution line shown on attachment to Question No. 19 will be used to serve auxiliary customer services within the Glendale MegaSite. At this time, the intended use of these facilities will be in support of temporary construction service requests.

**KENTUCKY UTILITIES COMPANY**

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**Question No. 19**

**Responding Witness: Elizabeth J. McFarland / John K. Wolfe**

Q-19. Provide a map that shows the facilities belonging to either Nolin RECC or EKPC, and indicate those that will be removed or moved, and the facilities belonging to KU that will be expanded to serve the Glendale MegaSite. Include the boundaries of the Glendale MegaSite.

A-19. See attached.