

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC JOINT APPLICATION OF)	
KENTUCKY UTILITIES COMPANY AND)	
LOUISVILLE GAS AND ELECTRIC)	
COMPANY FOR CERTIFICATES OF)	
PUBLIC CONVENIENCE AND NECESSITY)	CASE NO. 2022-00402
AND APPROVAL OF A DEMAND SIDE)	
MANAGEMENT PLAN AND APPROVAL OF)	
FOSSIL FUEL-FIRED GENERATING UNIT)	
RETIREMENTS)	

RESPONSE OF
KENTUCKY UTILITIES COMPANY
AND
LOUISVILLE GAS AND ELECTRIC COMPANY
TO
THE MERCER COUNTY FISCAL COURT'S
THIRD SET OF SUPPLEMENTAL REQUESTS FOR INFORMATION
DATED JUNE 27, 2023

FILED: JULY 7, 2023

**KENTUCKY UTILITIES COMPANY
AND
LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Mercer County Fiscal Court's
Third Set of Supplemental Requests for Information
Dated June 27, 2023**

Case No. 2022-00402

Question No. 1

Responding Witness: Lonnie E. Bellar

- Q-1. Please reference the June 9, 2023, Supplemental Response of Kentucky Utilities Company and Louisville Gas Electric Company to the Commission Staff's Supplemental Request for Information, Number 58, Supplemental Response at a. & b. dated April 14, 2023.

Reference the response where at the Companies have asserted the following:

As stated, closing took place on April 27, 2023, for 858 acres on what is now being referred to as "Southern Land." The price paid was \$9,871,324 with an additional obligation to pay Savion \$8,000,000 as compensation for the development work necessary for the solar project. Thus, the property as measured by Savion's terms is \$17,871,324 or \$20,820 per acre.

Since that closing occurred, the Companies have continued to have discussions with the State Economic Development Cabinet and Mercer County officials to explore ways to move forward with the Mercer County Solar Facility while also facilitating the development of an industrial park in the area for Mercer County's benefit. Those discussions are ongoing and are focused on the "Northern Land" which consists of a total of 1,007 acres which Savion owns or has options on. The 1,007 acres consist of 459 acres Savion owns; 406 acres for which Savion has Option 1; and 142 acres for which Savion has Option 2. Similar to the Southern Land, the Northern Land comes with an obligation to pay Savion \$10,000,000 for development work. Thus, the property as measured by Savion's terms is \$21,580,500 or \$21,430 per acre, similar to the Southern Land per acre price. The Companies have entered into an agreement on June 8, 2023, with Savion by which they would acquire the Northern Land, shift the Mercer County Solar Facility from the Southern Land to the Northern Land, and then make the Southern Land available to Mercer County for industrial site development. This agreement removes all conditions on the Companies' ownership of the Southern Land, and regulatory approval conditions shift to the Northern Land purchase.

- i. Please confirm that Mercer County has been involved in the above referenced discussions.
 - ii. Have the Companies committed to this agreement in writing?
 - iii. If so, please provide the agreement even if in draft form.
 - iv. If there is no agreement in writing, please explain why not.
 - v. Will the Companies comply with the agreement regardless of the result of the Commission's order? If not, please explain why not.
 - vi. Will Mercer County be required to buy the Southern Land at a price that includes the \$8,000,000 as compensation for the development work necessary for the solar project? If yes, please explain in detail how development of land for the solar project will enhance Mercer County's desire to develop an industrial park.
- A-1. The June 9, 2023, Supplemental Response does not make an assertion, but statements of fact.
- i. Confirmed. The Companies have informed Mercer County regarding referenced discussions.
 - ii. Yes.
 - iii. See the attachment being provided in a separate file.
 - iv. N/A.
 - v. Yes. The referenced agreement includes an option for the Companies to opt out of all obligations if the Commission's order does not include approval of this component of the filing.
 - vi. The Companies' goal with the Mercer County property is to develop a solar project commensurate with the application in this case including necessary development cost of the solar project. The acquisition of the acreage beyond what is needed for the solar project provides for additional possibilities/opportunities including economic development for the community and region. Should the community, or any other buyer, be interested in acreage outside of the solar project, the Companies will prudently consider market factors to determine pricing.