

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF)	
LOUISVILLE GAS AND ELECTRIC COMPANY)	
FOR AUTHORIZATION OF CHANGES IN)	CASE NO. 2023-00345
SERVICE TERRITORY WITH SALT RIVER)	
ELECTRIC COOPERATIVE CORPORATION)	

RESPONSE OF
LOUISVILLE GAS AND ELECTRIC COMPANY
TO
THE COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
DATED NOVEMBER 28, 2023

FILED: DECEMBER 15, 2023

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated November 28, 2023**

Case No. 2023-00345

Question No. 1

Responding Witness: James M. Archer

Q-1. Explain in detail the reasons for the requested territorial boundary changes for the new residential subdivision, Sanctuary at Mallard Lakes.

A-1. LG&E is requesting the proposed territorial boundary changes, with agreement from Salt River Electric Cooperative Corporation (Salt River), because of the development of a new residential subdivision named Sanctuary at Mallard Lakes ("Sanctuary"). The new development spans across both LG&E's and Salt River's territories, and the way the developer subdivided the lots created a situation where some lots were "split" – meaning a single lot would be in both provider's territories. The developer's subdivision of lots also created a situation where both electric providers would be serving customers on the same street. Therefore, LG&E and Salt River met in an attempt to avoid a territorial dispute and to determine how the two utilities could best provide service to Sanctuary in conformity with the principles in KRS 278.016. Those discussions yielded a positive result, which is the proposal for which LG&E is seeking approval here.

More specifically, the proposed changes conform with the requirements of KRS 278.016. First, the requested territorial boundary changes avoid wasteful duplication of facilities and unnecessary encumbering of the landscape in the new Sanctuary subdivision because Salt River Electric would be the only electric provider for lot numbers 305 – 344 as shown in Application Exhibit 3 – Shepherdsville Site Map (D). This proposal avoids LG&E providing service to some of these lots on the same street, which would be the outcome based on the existing territorial boundary. Second, the requested changes avoid a future homeowner having their electric consuming premise located on a "split" lot that spans both LG&E and Salt River's territories. The proposal aligns the new territorial boundary line with the lot lines so that each lot is wholly located in one or the other provider's territory. Importantly, this request maximizes the current electric infrastructure of LG&E and Salt River Electric and most efficiently and economically extends the infrastructure, again avoiding unnecessary duplication and encumbrances. Finally, the proposal minimizes the potential for disputes between providers because both LG&E and Salt River agree to these proposed changes.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated November 28, 2023**

Case No. 2023-00345

Question No. 2

Responding Witness: James M. Archer

- Q-2. Explain in detail how the proposed boundary changes for the new residential subdivision, Sanctuary at Mallard Lakes, avoids wasteful duplication of facilities.
- A-2. As discussed in response to Question No. 1, assigning lots 305 through 344 in the Sanctuary subdivision to Salt River avoids having two different utility companies serving customers along the same street route, thus eliminating redundant feeds.

Additionally, assigning lots 239-245 and the 13 future adjacent lots above those to LG&E also avoids duplication of facilities by allowing LG&E to seamlessly extend its existing electrical services. As depicted on Application Exhibit 3 – Shepherdsville Site Map (D) in LG&E's Application, the dark blue line shows that LG&E's current facilities extend right next to these lots. Salt River, on the other hand, would need to perform significantly more work to extend their existing facilities to all of these lots, thus creating duplication and increased cost.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated November 28, 2023**

Case No. 2023-00345

Question No. 3

Responding Witness: James M. Archer

- Q-3. Explain in detail how the proposed boundary changes for the new residential subdivision, Sanctuary at Mallard Lakes, avoids the unnecessary encumbering of the landscape.
- A-3. As mentioned in response to Question No. 2, Lots 239 through 245 and the unmarked 13 lots above those have an existing distribution underground electric feed stubbed out at the territory line from LG&E ready to serve them without having to encumber additional land. If these lots remained in Salt River's territory, Salt River Electric would be required to extend an overhead electric route across numerous properties to serve that section, creating unnecessary duplication of facilities and additional encumbering of the landscape for the additional facilities.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated November 28, 2023**

Case No. 2023-00345

Question No. 4

Responding Witness: James M. Archer

- Q-4. Explain in detail how the proposed boundary changes for the new residential subdivision, Sanctuary at Mallard Lakes, minimizes disputes between retail electric suppliers.
- A-4. Consistent with the provisions in KRS 278.018(6), LG&E routinely meets with other retail electric suppliers whenever new development is occurring that will cross over two providers' service territories in order to determine whether we can reach an agreement that "will promote the purposes of KRS 278.016 and will provide adequate and reasonable service to all areas and consumers affected." LG&E has adopted this practice precisely to minimize disputes between it and other suppliers in these split territory scenarios.

As discussed in response to Question No. 1, here, Salt River and LG&E reached mutual agreement with regard to the territorial changes proposed in this proceeding. These proposed changes will better serve the customers, given the layout of the existing utility's electric facilities' locations and the way the lot lines were drawn by the developer. Specifically, the proposed changes will minimize costs because each utility can prudently extend its existing electrical distribution system to reliably serve its proposed portion of the new residential development.