

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF)	
LOUISVILLE GAS AND ELECTRIC)	
COMPANY FOR AUTHORITY TO)	CASE NO. 2025-00104
TRANSFER THE RIVERPORT)	
DISTRIBUTION CENTER PURSUANT)	
TO KRS 278.218)	

Louisville Gas and Electric Company (“LG&E” or “Company”) respectfully petitions the Kentucky Public Service Commission (“Commission”) by verified application pursuant to KRS 278.218 and 807 KAR 5:001 Section 8 to issue an order authorizing LG&E to sell to a prospective third-party buyer LG&E’s assets located at 7301 Distribution Drive, Louisville, Kentucky 40258, which include a 17.227 acre parcel of land, and a 750,408 square-foot, industrial building (collectively, “Riverport Central Service Shop”). (A copy of the current Riverport Central Service Shop deed is attached hereto as Application Exhibit 1.) In support of this Application, LG&E states as follows:

1. LG&E’s full name and business address are Louisville Gas and Electric Company, Company, 820 W Broadway, Louisville, Kentucky 40202. LG&E’s mailing address is Louisville Gas and Electric Company, 2701 Eastpoint Parkway, Louisville, Kentucky 40223.

2. The Company may be reached by electronic mail at the electronic mail addresses of its counsel set forth below.

3. LG&E is a public utility, as defined in KRS 278.010(3)(a), engaged in the electric and gas business. LG&E generates, purchases, distributes, and sells electricity at retail in Jefferson County and portions of Bullitt, Hardin, Henry, Meade, Oldham, Shelby, Spencer, and Trimble Counties. LG&E 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.

4. LG&E is incorporated in the Commonwealth of Kentucky, and attests it is in good corporate standing. LG&E was incorporated in Kentucky on July 2, 1913.

5. LG&E is wholly owned by LG&E and KU Energy LLC, a subsidiary of PPL Corporation.

6. Copies of all orders, pleadings, and other communications related to this proceeding should be directed to:

Robert M. Conroy
Vice President, State Regulation and Rates
LG&E and KU Services Company
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7. KRS 278.218 requires prior approval for transfers of electric utility assets if the assets have an original book value of \$1,000,000 or more and are being transferred for reasons other than obsolescence or will continue to be used to provide the same or similar service to the utility or its customers. The Commission is required to grant approval if the transfer is for a proper purpose and consistent with the public interest.

8. The Central Service Shop, a machine shop that primarily serviced the LG&E and KU generation fleet was historically located in a building on the Mill Creek Station site until 2013.

Due to the construction of baghouses for the Mill Creek units, the Central Service Shop needed to be demolished. The decision was made, as part of that project, to purchase the Riverport location and relocate the shop. This was determined to be the low-cost option and preferable to building a new structure on an existing site. Additionally, the Riverport facility met the space requirements to address the warehousing needs for both the Mill Creek baghouse projects and the construction of Cane Run Unit 7. In 2022, to reduce costs, a decision was made to dissolve the Riverport Central Service Shop and outsource the services that were historically provided there. With the major projects that utilized the Riverport Central Service Shop for warehousing complete at Mill Creek and Cane Run by that time, the extra space was no longer necessary and the O&M costs for the facility were no longer justified. The hardware was sold off, the staff was reduced over time with some moving to new roles at the company and through normal attrition, and the limited inventory still warehoused at the facility relocated.

9. LG&E intends to vacate the property by February 2026.

10. The original book value of the Riverport Central Service Shop is \$8,208,689.71.

11. LG&E does not intend to use the Riverport Central Service Shop in future business operations, and it will no longer be used by or useful to LG&E once it is vacated. Nonetheless, the Riverport Central Service Shop is not obsolete for purposes of KRS 278.218(1)(a) because the property is capable of being used by another entity.¹

¹ See *Electronic Joint Application of Kentucky Utilities Company and Louisville Electric Company for Certificates of Public Convenience and Necessity and Site Compatibility Certificates and Approval of a Demand Side Management Plan and Approval of Fossil Fuel-Fired Generating Unit Retirements*, Case No. 2022-00402, Order at 7-8 (Ky. PSC Nov. 6, 2023); *Electronic Application of Jackson Purchase Energy Corporation for a Certificate of Public Convenience and Necessity to Construct a New Headquarters Facility*, Case No. 2019-00326, Order at 12 (Ky. PSC Jan. 14, 2020); *Application of South Kentucky Rural Electric Cooperative Corporation for a Certificate of Public Convenience and Necessity to Construct a New Headquarters Facility and for Approval to Transfer Ownership of Certain Assets or, in the Alternative, a Determination that Such Approval is Unnecessary*, Case No. 2014-00355, Order at 9 (Ky. PSC Mar. 27, 2015).

12. Because the Riverport Central Service Shop is a utility asset with an original book value of more than one million dollars, and because the asset will be transferred by LG&E for reasons other than obsolescence, Commission approval under KRS 278.218 is required.

13. LG&E does not currently have a buyer identified for the Riverport Central Service Shop. The Commission has previously granted approvals under KRS 278.218 for asset transfers where the prospective buyer was unknown.² LG&E will market the property for sale to achieve the most favorable sales price while balancing the continued expense of ongoing maintenance of the property. Once a buyer is identified, LG&E proposes to transfer the Riverport Central Service Shop to the selected buyer. If LG&E identifies a buyer and enters into a sales contract during the pendency of this proceeding, LG&E will file the contract into the record of this proceeding.

14. LG&E will not sell the Riverport Central Service Shop to an affiliate, as the term is defined in KRS 278.010(18),³ or to an entity that would continue to use the property to provide the same or similar services to LG&E or its customers.⁴

² See *Electronic Application of Big Rivers Electric Corporation for a Certificate of Public Convenience and Necessity Authorizing Construction of a New Headquarters Facility and an Order Authorizing Big Rivers to Sell its Existing Headquarters Facility*, Case No. 2021-00314, Order at 8-9 (Ky. PSC Dec. 7, 2021); *Electronic Application of Kentucky Power Company for (1) Authority Pursuant to KRS 278.218 to Sell Up to 400,000 Tons of Coal, Scheduled for Delivery to the Mitchell Generating Station in 2018; and (2) For All Other Required Approvals and Relief*, Case No. 2017-00446, Order at 4-5 (Ky. PSC Mar. 8, 2018).

³ KRS 278.010(18).

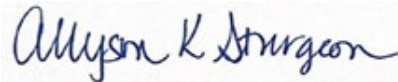
⁴ See KRS 278.218(1)(b).

WHEREFORE, Louisville Gas and Electric Company respectfully asks the Commission to issue an Order (1) finding that the transfer of LG&E's Riverport Central Service Shop to a prospective third-party buyer is for a proper purpose and consistent with the public interest and (2) approving the transfer of the asset subject to two conditions:

- (a) The buyer will not be an affiliate of LG&E as the term is defined in KRS 278.010(18);
and
- (b) The buyer will not use the Riverport Central Service Shop to provide the same or similar services to LG&E or its customers.

Dated: March 31, 2025

Respectfully submitted,



Allyson K. Sturgeon, Vice President and
Deputy General Counsel
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Counsel for Louisville Gas and Electric Company

CERTIFICATE OF COMPLIANCE

In accordance with the Commission's Order of July 22, 2021 in Case No. 2020-00085 (Electronic Emergency Docket Related to the Novel Coronavirus COVID-19), this is to certify that the electronic filing has been transmitted to the Commission on March 31, 2025, and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means.

A handwritten signature in blue ink that reads "Allyson K. Sturgeon". The signature is written in a cursive style and is positioned above a horizontal line.

Counsel for Louisville Gas and Electric Company