

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

ORDER

On March 31, 2025, Louisville Gas and Electric Company (LG&E) filed an application requesting approval, pursuant to KRS 278.218 and 807 KAR 5:001, Section 8, 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 (Riverport Central Service Shop). There are no intervenors in this matter, and the case now stands submitted to the Commission for a decision.

LEGAL STANDARD

KRS 278.218 states:

- (1) No person shall acquire or transfer ownership of or control, or the right to control, any assets that are owned by a utility as defined under KRS 278.010(3)(a) without prior approval of the commission, if the assets have an original book value of one million dollars (\$1,000,000) or more and:
 - (a) The assets are to be transferred by the utility for reasons other than obsolescence; or
 - (b) The assets will continue to be used to provide the same or similar service to the utility or its customers.
- (2) The commission shall grant its approval if the transaction is for a proper purpose and is consistent with the public interest.

BACKGROUND

LG&E is a public utility, as defined in KRS 278.010(3)(a), engaged in the electric and gas business. It generates, purchases, distributes, and sells electricity at retail in Jefferson County, Kentucky and portions of Bullitt, Hardin, Henry, Meade, Oldham, Shelby, Spencer, and Trimble counties, Kentucky.¹ LG&E also purchases, stores, and transports natural gas, and distributes and sells natural gas at retail in Jefferson County, Kentucky and portions of Barren, Bullitt, Green, Hardin, Hart, Henry, Larue, Marion, Meade, Metcalfe, Nelson, Oldham, Shelby, Spencer, Trimble, and Washington counties, Kentucky.² LG&E is wholly owned by LG&E and KU Energy LLC, a subsidiary of PPL Corporation.³

DISCUSSION

In 2022, LG&E dissolved the Riverport Central Service Shop and outsourced the services that were provided there to reduce costs.⁴ LG&E stated that the space was no longer necessary and the costs for the facility were no longer justified.⁵ LG&E stated that the hardware was sold off, staff was reduced over time, and the limited inventory warehoused at the facility was relocated.⁶ LG&E stated that it intends to vacate the property by February 2026, and does not intend to use the Riverport Central Service Shop

¹ Application (filed Mar. 31, 2025) at 1.

² Application at 1-2.

³ Application at 2.

⁴ Application at 3.

⁵ Application at 3.

⁶ Application at 3.

in future business operations.⁷ LG&E further stated that the Riverport Central Service Shop will no longer be used by or useful to LG&E once it is vacated.⁸ LG&E further stated that 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.⁹

LG&E listed the original book value of the Riverport Central Service Shop as \$8,208,689.71.¹⁰ LG&E plans to market the property for sale to achieve the most favorable sales price while balancing the continued expense of ongoing maintenance for the property, but does not have a buyer for the Riverport Central Service Shop at this time.¹¹ LG&E stated that it plans to list the Riverport Central Service Shop for \$8,600,000.¹² LG&E has no indebtedness associated with the Riverport Central Service Shop. According to information provided by LG&E, the current book value of the Riverport Central Service Shop is \$7,600,000.¹³ LG&E advised that, if it identifies a buyer and enters into a sales contract during the pendency of this case, it will file the contract into the recording of this proceeding.¹⁴ LG&E further stated that it will not sell the Riverport

⁷ Application at 3.

⁸ Application at 3.

⁹ Application at 3.

¹⁰ Application at 3.

¹¹ Application at 4.

¹² LG&E's Response to Commission Staff's First Request for Information (Staff's First Request) (filed Apr. 28, 2025), Item 3.

¹³ LG&E's Response to Staff's First Request, Item 7.

¹⁴ Application at 4.

Central Service Shop to an affiliate or entity that would continue to use the property to provide the same or similar services to LG&E or its customers.¹⁵

FINDINGS

Having reviewed the record and being otherwise sufficiently advised, the Commission finds that LG&E's application for the sale of the Riverport Central Service Shop should be approved. The Riverport Central Service Shop has an original book value of \$8,208,689.71. The Commission agrees that, as such, KRS 278.218 is applicable. LG&E is seeking to transfer the Riverport Central Service Shop for a reason other than obsolesce. LG&E is seeking to sale the property because it dissolved the Riverport Central Service Shop and outsourced the services to reduce costs. LG&E has already ceased operations and plans to vacate the Riverport Central Service Shop by February 2026. Additionally, LG&E has no plans to utilize the Riverport Central Service Shop in future operations. Keeping the Riverport Central Service Shop would create negative financial impacts to LG&E including, but not limited to, upkeep expenses of a property that no longer serves a legitimate business purpose for the utility. For these reasons, the Commission finds that the sale of the Riverport Central Service Shop is for the proper purpose and consistent with the public interest.

IT IS THEREFORE ORDERED that:

1. LG&E's application requesting approval to sell the Riverport Central Service Shop to a prospective third-party buyer is granted.
2. LG&E shall provide a copy of the executed sales contract upon the sale of the Riverport Central Service Shop.

¹⁵ Application at 4.

3. LG&E shall file a notice accounting for the total gain or loss on the sale of the property within 30 days after the closure of the transaction, citing to this case number in the post-case correspondence. LG&E shall include the accounting on their books and records that occurred as a result of the transaction.


4. This matter is closed and removed from the Commission's docket.

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PUBLIC SERVICE COMMISSION


Chairman

Vice Chairman


Commissioner

ATTEST:


Executive Director



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