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News Release

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PSC Authorizes Construction Certificate for Kentucky Utilities' Proposed Hardin County Transmission Line Project is to serve the site of Ford Motor Company's battery manufacturing

roject is to serve the site of Ford Motor Company's battery manufacturing facilities

FRANKORT, Ky. (July 29, 2022)—The Kentucky Public Service Commission (PSC/Commission) today approved a construction certificate for electric transmission facilities in Hardin County, Kentucky. Kentucky Utilities Company (KU) filed an application on March 31, 2022, seeking a Certificate of Public Convenience and Necessity (CPCN) to construct two 345 kV transmission lines, two 138 kV transmission lines, and two associated substations in Hardin County.

The legal standard for obtaining a CPCN requires the utility to demonstrate the need for the facilities and an absence of wasteful duplication. According to KU's application, the transmission lines are necessary to provide electrical service to the Glendale Megasite, the location of Ford Motor Company's proposed battery manufacturing facilities, and to meet expected future electrical load growth in the area.

Several parties were granted intervention in this case. On May 23, 2022, the Commission conducted a public comment meeting on May 23, 2022, at Elizabethtown High School.

The Commission conducted a formal hearing on June 1, 2022, and on June 24, the Commission ordered an extension of the case until July 29, 2022.

In authorizing the CPCN, the Commission notes that KU has a statutory obligation to serve its customers, including Ford Motor Company within KU's service territory. The proposed battery manufacturing facilities will be large consumers of power, and therefore the transmission facilities are necessary to meet those needs.

Today's Order states "Based on the evidence of record, including study results that indicate the current transmission system could not adequately serve Ford's demand, not to mention future demand in the area, the Commission finds that KU has demonstrated a need for additional transmission to provide service to the Ford facilities and the Glendale Megasite."

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KU expects to finance the cost of the construction with internally generated funds, while, according to KU's application, Ford will be responsible for the 138 kV transformers and other associated "behind the meter" electrical equipment. These expenses are approximately \$39 million and will be billed to Ford through an Excess Facilities Rider in KU's tariff. KU and Ford are negotiating a special contract that will require Commission approval.

More information on this proceeding is available here: <u>https://psc.ky.gov/Case/ViewCaseFilings/2022-00066</u>. The Case Number is 2022-00066.

The PSC is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,100 gas, water, sewer, electric and telecommunication utilities operating in Kentucky.

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