

LG&E natural gas distribution line in Bullitt County approaching full capacity

New and expanded natural gas service requests in Bullitt County limited until new transmission line can be built

(LOUISVILLE, Ky.) – Louisville Gas and Electric Company announced today that the company's existing natural gas distribution line serving a portion of Bullitt County is nearing full capacity and requests for additional or new natural gas service by residential and business customers soon will be unable to be accommodated in the Bullitt County area.

The change will not impact service to the more than 9,500 existing customers in portions of Mt. Washington, Shepherdsville, Clermont and Lebanon Junction, or any requests for service that are already under contract. Currently, the pipeline, which is part of LG&E's natural gas distribution system, can safely continue to serve the utility's existing customers; however, additional gas supply must be added to the system in order to serve any new or expanded requests for natural gas service from industrial, commercial or residential customers in those areas as well as some adjacent areas including Brooks, Hillview and Zoneton.

"Limiting natural gas capacity is an unprecedented step for us, but we simply have run out of room on our system in the Bullitt County corridor," said John P. Malloy, vice president of Gas Distribution. "We realize this poses a hardship for economic development and customers wanting low-cost natural gas service, but we are limited by the capacity of the line."

According to the Bullitt County Economic Development Authority, the county is growing at a tremendous rate – with the population increasing by more than 1,200 residents a year; an average of 1.2 million square feet of manufacturing and logistics space and 400 homes being built each year; and the local workforce expanding by about 1,500 new employees per year. The agency says without the pipeline the county could see a period of no growth and lose the capacity to provide needed jobs and investments to the county and state.

The Kentucky Public Service Commission, in 2017, approved LG&E's plans to build a new natural gas transmission line to inject additional supply to the Bullitt County area to meet growing demand and to enhance reliability for existing customers there by creating an additional path for natural gas traveling through the system to residents and businesses in the area. The proposed line will reduce the chances of these customers experiencing a service interruption should there be damage to the existing line. The transmission line was originally scheduled to be completed in 2019, but the project has encountered delays due to extended negotiations with a limited number of property owners during the surveying phase and easement compensation negotiations with property owners of the easements needed for construction.

"While it's our goal to meet the growing energy demands of the communities we serve and, in doing so, partner to enhance economic development across the state, in this case it's just not possible until we're able to construct this new natural gas transmission line," said LG&E Vice President of Customer Services Beth McFarland. "Until we can do that, we are evaluating requests for natural gas service in the Bullitt County area on a case-by-case basis."

In an effort to move forward with the project and purchase the final 15 percent of easements necessary for its construction, LG&E will be initiating condemnation proceedings that will exercise the utility's right to eminent domain and ultimately enable the utility to acquire the necessary easements to begin the pipeline's construction. Once construction is complete, property owners can drive vehicles over the easement and may continue to use it to do things like grow crops, pasture animals and other activities; so long as the activity does not include construction of buildings or create obstacles that restrict the utility's access to the infrastructure.

Bullitt County natural gas distribution system background

LG&E's natural gas distribution system in Bullitt County has been in place for more than 50 years. Initially built in the early 1960s to serve the Mt. Washington area, the original distribution line has grown with the surrounding community. Throughout the mid and late-60s the line was extended in order to serve growth in the Shepherdsville and Clermont areas, then grew again in the mid-90s as its service expanded to Clermont and

Lebanon Junction. In the mid-2000s, LG&E upgraded the natural distribution system to the Bullitt County area, enabling more gas to travel through the line to the increasing number of customers receiving service from it. With anticipated growth information from the Bullitt County Economic Development Authority, growth projections from the Bullitt County Fiscal Court and information from the state data center and other sources, the need for a new natural gas transmission line to help meet demand became apparent in 2016.

LG&E currently has 85 percent of the easements, or nine of the proposed pipeline's 12 miles, necessary for construction. Once the utility acquires the remaining easements, obtains the necessary permits applied for, secures a contractor and begins work, construction is expected to take 6-9 months.

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Louisville Gas and Electric Company and Kentucky Utilities Company, part of the PPL Corporation (NYSE: PPL) family of companies, are regulated utilities that serve nearly 1.3 million customers and have consistently ranked among the best companies for customer service in the United States. LG&E serves 328,000 natural gas and 414,000 electric customers in Louisville and 16 surrounding counties. KU serves 555,000 customers in 77 Kentucky counties and five counties in Virginia. More information is available at www.lge-ku.com and www.pplweb.com.

For further information: call the LG&E and KU media hotline at 502-627-4999.

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