

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY	)	
UTILITIES COMPANY FOR AN ORDER	)	CASE NO.
AUTHORIZING THE ISSUANCE OF	)	2023-00397
INDEBTEDNESS	)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
TO KENTUCKY UTILITIES COMPANY

Kentucky Utilities Company (KU), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on January 23, 2024. The Commission directs KU to the Commission's July 22, 2021 Order in Case No. 2020-00085<sup>1</sup> regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the

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<sup>1</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

KU shall make timely amendment to any prior response if KU obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which KU fails or refuses to furnish all or part of the requested information, KU shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, KU shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Application for financing approval filed in this matter, paragraph 1. Explain what factors KU considers when going to either the private or public placement market. Include in the response how either market could be considered the least cost option for its customers and which market KU goes to more often.

2. Refer to the Application, paragraph 5. Refer also to the Application in Case No. 2022-00402<sup>2</sup> at page 14, in which Louisville Gas and Electric Company (LG&E) and KU (collectively, LG&E/KU) estimated a total project cost of \$2.095 billion if the Commission approved LG&E/KU's Application as filed. Refer also to the November 6, 2023 Order in Case No. 2022-00402, in which the Commission granted LG&E/KU's request in part and denied it in part.<sup>3</sup>

a. Provide an updated projection of the total capital cost for the projects approved in the November 6, 2023 Order and a corresponding itemized breakdown of each project. Include the amount and percentage of KU's financial obligation in regard to the Commission's Order and a breakdown of the total cost by ownership.

b. Explain the basis for and the percentage ownership of KU and LG&E for each of the capital projects authorized in the November 6, 2023 Order. Include in the response how LG&E and KU ultimately decided on how much each company will finance and whether this is consistent with LG&E/KU's past practice.

c. Explain how each company is financially responsible for any maintenance expenses associated with each of the capital projects authorized in the November 6, 2023 Order.

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<sup>2</sup> Case No. 2022-00402, *Electronic Joint Application of Kentucky Utilities Company and Louisville Gas and 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* (filed Jan. 6, 2023), Joint Application at 14.

<sup>3</sup> See Case No. 2022-00402, *Electronic Joint Application of Kentucky Utilities Company and Louisville Gas and 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* (Ky. PSC Nov. 6, 2023), Order.

3. Refer to the Application, paragraph 6. Explain KU's intentions regarding the proposed debt issuance after 2027. Include in the response whether KU's issuance of indebtedness coincides with the natural gas combined cycle unit coming online and if KU expects or intends to refinance any debt incurred from 2024-2027.

4. If the Commission were to approve KU's proposed issuance of indebtedness as filed, provide an estimated capital structure with regard to the long-term debt and short-term debt. Include in the response whether KU has any intention of issuing any additional equity in conjunction with the debt issuance.

5. Explain how often and the circumstances under which KU issues equity and/or receives equity infusions from its parent company.

6. Confirm that KU will observe the cost of capital projects and the market and may not incur the entire \$1.350 billion in debt financing for which approval is requested herein.



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Public Service Commission  
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DATED JAN 16 2024

cc: Parties of Record

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