

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY)	
UTILITIES COMPANY FOR AN ADJUSTMENT OF)	CASE NO.
ITS ELECTRIC RATES AND APPROVAL OF)	2025-00113
CERTAIN REGULATORY AND ACCOUNTING)	
TREATMENTS)	

ORDER

On April 4, 2025, Kentucky Utilities Company (KU) and Louisville Gas and Electric Company (LG&E) (jointly LG&E/KU) filed its Notice of Election of Use of Electronic Filing Procedures for an Adjustment of Electric and Gas Rates to be filed no later than May 30, 2025.¹ On April 7, 2025, LG&E/KU jointly filed a motion for deviation from filing requirements asking for the following: (1) to provide abbreviated newspaper notice of their upcoming applications for rate adjustments pursuant to 807 KAR 5:001, Section 17(5); (2) relief from the requirement of 807 KAR 5:001, Section 17(1)(a) and 807 KAR 5:011, Section 8(1)(a) to post the customer notice at its place of business; (3) and to incorporate certain documents required by 807 KAR 5:001, Section 16, and available on the Securities and Exchange Commission (SEC) and the Federal Energy Regulatory Commission (FERC) online databases into the record.²

¹ Application.

² LG&E/KU's Joint Motion for Deviation (Deviation Motion) (filed Apr. 7, 2025) at 1-2.

LEGAL STANDARD

Commission regulation 807 KAR 5:001 Section 16, Section 17 and Section 22 are applicable to this request. Specifically, Commission regulation 807 KAR 5:001, Section 16(2) permits a utility to file a request to the Commission to allow abbreviated newspaper notice after a notice of intent for an application of an adjustment of rates has been filed.

Commission regulation 807 KAR 5:001, Section 17(2) outlines the methods for a utility to provide notice to its customers of an application for an adjustment of rates.³ Commission regulation 807 KAR 5:001, Section 17(2)(b)(3) permits a utility to satisfy the notice requirement by publishing the notice in a newspaper of general circulation in the utility's service area once a week for three weeks.⁴ Commission regulation 807 KAR 5:001, Section 17(5) allows a utility to request permission to provide abbreviated notice of a rate application.⁵ Commission regulation 807 KAR 5:001, Section 17(1)(a) provides that a utility shall post at its place of business a copy of the notice no later than the date the application is submitted to the Commission.⁶ In addition, 807 KAR 5:001 Section 17(1)(b) requires a utility to post notice on its website as well as a hyperlink to the Commission's website to the location of the application within five business days of the filing of the application.

³ 807 KAR 5:001 Section 17(2).

⁴ 807 KAR 5:001 Section 17(2)(b)(3).

⁵ 807 KAR 5:001 Section 17(5).

⁶ 807 KAR 5:001 Section 17(1)(a).

The regulation related to tariffs, 807 KAR 5:011, is applicable and specifically, 807 KAR 5:011 Section 8(1)(a) requires that utility post at its place of business a copy of the notice no later than the date the tariff filing is submitted to the Commission.⁷

Commission regulation 807 KAR 5:001 Section 22 and 807 KAR 5:011 Section 15 allow the Commission to grant deviations from the regulations for good cause shown.⁸

MOTION

LG&E/KU stated that newspaper publication is the most practical method of providing notice to its customers, but it is a significant undertaking.⁹ LG&E/KU explained that in its 2016¹⁰ rate case, KU published its complete notice, which consisted of 19 single-spaced pages in 96 newspapers; LG&E published a complete notice, consisting of 25 single-spaced typewritten pages in 18 newspapers.¹¹ LG&E/KU stated that publication of the required notice is very costly.¹² LG&E/KU collectively expended over \$2.7 million to publish their complete notices in their 2016 rate case proceeding.¹³

⁷ 807 KAR 5:011 Section 8(1)(a).

⁸ 807 KAR 5:001 Section 22 and 807 KAR 5:011 Section 15.

⁹ Deviation Motion at 2.

¹⁰ Case No. 2016-00370, *Electronic Application of Kentucky Utilities Company for an Adjustment of its Electric Rates and for Certificates of Public Convenience and Necessity* (filed Jan 9, 2017), Certificate of Completed Notice; Case No. 2016-00371, *Electronic Application of Louisville Gas and Electric Company for an Adjustment of its Electric and Gas Rates for Certificates of Public Convenience and Necessity* (filed Jan. 9, 2017), Certificate of Completed Notice.

¹¹ Deviation Motion at 2-3.

¹² Deviation Motion at 3.

¹³ Deviation Motion at 3.

LG&E/KU credited use of abbreviated notices in the 2018¹⁴ and 2020¹⁵ rate cases, which LG&E/KU stated created roughly \$4 million in total savings on publication costs.¹⁶ LG&E/KU provided the proposed abbreviated notice for the 2025 rate cases as Exhibit A to its motion.¹⁷ LG&E/KU explained that the proposed abbreviated notice includes the requested rate increases on residential customers by percentage and dollars, the requested base rate, and total revenue increases for LG&E/KU.¹⁸ Additionally, LG&E stated that the abbreviated notice contained language directing interested parties to the addresses and contact information of LG&E/KU and the Commission, and a uniform resource link (URL)¹⁹ for their website where customers may view the full Section 17(4) notice and a complete redlined copy of each of their proposed revisions to their Kentucky retail service tariffs at issue in this proceeding.²⁰

LG&E/KU proposed several ways to inform the public about the utilities' requests in this matter for the Commission's consideration. LG&E/KU stated that, in addition to the

¹⁴ Case No. 2018-00295, *Electronic Application of Louisville Gas and Electric Company for an Adjustment of its Electric and Gas Rates* (filed Nov. 9, 2018), Certificate of Completed Notice; Case No. 2018-00294, *Electronic Application of Kentucky Utilities for an Adjustment of its Electric Rates* (filed Nov. 9, 2018), Certificate of Completed Notice.

¹⁵ Case No. 2020-00349, *Electronic Application of Kentucky Utilities Company for an Adjustment of its Electric Rates, a Certificate of Public Convenience and Necessity to Deploy Advanced Metering Infrastructure, Approval of Certain Regulatory and Accounting Treatments, and Establishment of a One-Year Surcredit* (filed Jan. 12, 2021), Certificate of Completed Notice; Case No. 2020-00350, *Electronic Application of Louisville Gas and Electric Company for an Adjustment of its Electric and Gas Rates, a Certificate of Public Convenience and Necessity to Deploy Advanced Metering Infrastructure, Approval of Certain Regulatory and Accounting Treatments, and Establishment of a One-Year Surcredit* (filed Jan. 12, 2021), Certificate of Completed Notice.

¹⁶ Deviation Motion at 5.

¹⁷ Deviation Motion at 5.

¹⁸ Deviation Motion at 5-6.

¹⁹ A URL to LG&E/KU's website rather than a hyperlink is to be provided in the abbreviated notice.

²⁰ Deviation Motion at 5-6.

publication of the abbreviated notice, it would provide a complete copy of the full notice upon request as well as available to customers mail or email, should they choose.²¹ LG&E/KU requested to not post the customer notice at business offices located in Louisville, Kentucky and Lexington, Kentucky as required by 807 KAR 5:001, Section 17(1)(a) and 807 KAR 5:011, Section 8(1)(a) as the business offices are not open to the public. In the alternative, LG&E/KU proposed to post the abbreviated notice on the publicly visible outside doors of its office and provide a URL²² to its full Notice and, when filed, the Commission's website where case documents and tariff filings will be available.²³ LG&E/KU also suggested they post a copy of the full notice and a hyperlink on its website to the location on the Commission's website where case documents and tariff filings are available.²⁴ Beginning on May 30, 2025, LG&E/KU would include a bill insert, that would be sent to all Kentucky retail customers during the course of their regular billing cycle which would show the requested annual increase in dollars and percentages and the effect on the average monthly bill in dollars and percentages for all rate classes and include a URL to a Section 17 compliant notice.²⁵ LG&E/KU offered to notify by email each entity that had been granted intervention or otherwise permitted to participate in its last general rate case proceeding of the filing of the applications and provide a hyperlink to the location on the Commission's website where case documents and tariff filings are

²¹ Deviation Motion at 6.

²² LG&E/KU may consider a quick response (QR) code that may be scanned by customers.

²³ Deviation Motion at 7.

²⁴ Deviation Motion at 7.

²⁵ Deviation Motion at 7.

available.²⁶ Additionally, LG&E/KU, at the time the newspapers publish the legal notice, would issue press advisories to all known news media organizations who cover the areas within their certified territory advising of the filing of their applications and include a URL to the location on LG&E/KU's and the Commission's websites where case documents and tariff filings will be available.²⁷ The URL to LG&E/KU's website would contain the same notice being published by the newspapers until the date the applications are filed and on the date applications are filed, LG&E/KU's website would be updated to contain the complete public version of the applications filed with the Commission.²⁸ LG&E/KU, also proposed to include the full Section 17 notice in the initial filing as a separate document, labeled "Customer Notice of Rate Adjustment," to enable customers accessing the Commission's website to locate the notice easily.²⁹

LG&E/KU explained that the proposed abbreviated notice in lieu of the more lengthy and detailed notice required by Section 17(4) would result in savings to LG&E/KUs' customers of approximately \$6.6 million.³⁰ LG&E/KU explained that the abbreviated notice would cost approximately \$100,000 in comparison.³¹ LG&E/KU stated that, based on the public comment records of its 2020 rate cases, LG&E/KU does not believe that use of the proposed abbreviated notice would reduce customer awareness

²⁶ Deviation Motion at 7.

²⁷ Deviation Motion at 7.

²⁸ Deviation Motion at 7-8.

²⁹ Deviation Motion at 8.

³⁰ Deviation Motion at 8.

³¹ Deviation Motion at 8.

of the proposed rate adjustment or customer participation in the proceedings.³² LG&E/KU argued that the savings to customers through the use of the proposed abbreviated notice, good cause exists for the Commission to authorize deviations from Section 17 as requested.³³

LG&E/KU also requested leave to provide hyperlinks to the Federal Energy Regulatory Commission (FERC) or the U.S. Securities and Exchange Commission (SEC) for (1) the most recent FERC audit report³⁴; (2) the most recent FERC Form 1 (electric)³⁵; (3) the SEC's annual report (Form 10-K) for the most recent two years; (4) any Form 8-Ks issued in the last two years; (5) and any Form 10-Q issued during the past six quarters³⁶ in lieu of filing the documents. LG&E/KU stated that, given the availability of these documents on public databases and the inefficiencies created by re-uploading these documents into the record of this case, LG&E/KU request that the Commission grant a partial waiver of the requirements of Section 16(7) and allow them to incorporate these documents into the record by reference, and facilitate easy access to these records by including hyperlinks to the SEC and FERC databases containing these documents.³⁷ LG&E/KU stated that the proposed partial waiver would allow the Commission, LG&E/KU,

³² Deviation Motion at 8.

³³ Deviation Motion at 8-9.

³⁴ Required by 807 KAR 5:001 Section 16(7)(i).

³⁵ Required by 807 KAR 5:001 Section 16(7)(k).

³⁶ Required by 807 KAR 5:001 Section 16(7)(p); Motion to Deviate at 10.

³⁷ Deviation Motion at 11.

and any intervenors to navigate the case record more efficiently, without the need to download thousands of pages.³⁸

According to the motion, the SEC has authorized parties to incorporate its previous SEC filings into the record of current filings and has promulgated rules to standardize the incorporation by reference process.³⁹ LG&E/KU believes that using similar rules to those promulgated by the SEC would give the Commission, intervenors, and interested customers access to these public documents in an easily navigable form.⁴⁰ LG&E/KU stated that, in keeping with Commission precedent, they recognize the request for the partial waiver would be limited solely to filing requirements.⁴¹ LG&E/KU explained that, if they relied on the information in these documents to support their proposed rate adjustments, they would provide hyperlinks and specific location information for the relevant portions of these documents.⁴²

DISCUSSION AND FINDINGS

Having considered the record and being otherwise sufficiently advised, the Commission finds that LG&E/KU's Motion to Deviate should be denied as discussed below.

Abbreviated Notice Request

Having considered the motion and being otherwise sufficiently advised, the Commission finds that LG&E/KU's motion to deviate from 807 KAR 5:001, Section 17(5)

³⁸ Deviation Motion at 11.

³⁹ Deviation Motion at 11.

⁴⁰ Deviation Motion at 11.

⁴¹ Deviation Motion at 11.

⁴² Deviation Motion at 11.

should be denied. As a result, the remaining requests for deviation related to notice are denied, as the Commission will evaluate the deviations related to notice as a whole, including any proposed alternatives. However, the Commission grants LG&E/KU leave to refile the Motion after LG&E/KU has addressed the issues raised by this Order. LG&E/KU has not provided the Commission with the information needed to determine the reasonableness of the abbreviated notice request. The Commission notes that it does agree with LG&E/KU that the costs of publishing the entire notice in this instance may exceed the benefits of having the complete notice published in all required newspapers. However, the notice provided in with this motion is generic and does not address any proposed tariff changes or items that may impact the request for a general rate adjustment of the gas rates.

If LG&E/KU chooses to refile its request for deviation, the Commission finds that LG&E/KU should include specific details in its motion about the proposed changes in the text of its rate schedules and other tariff provisions, including its terms and conditions for electric or gas service, so that the Commission can review the motion for a deviation and abbreviated notice appropriately. Review of the full notice is necessary in order to determine whether the abbreviated notice meets all of the requirements.

The Commission also encourages LG&E/KU to follow more closely the notice format approved in Case Nos. 2020-00349⁴³ and 2020-00350⁴⁴. This format included the

⁴³ Case No. 2020-00349, *Electronic Application of Kentucky Utilities Company for an Adjustment of its Electric Rates a Certificate of Public Convenience and Necessity to Deploy Advanced Metering Infrastructure, Approval of Certain Regulatory and Accounting Treatments, and Establishment of a One-Year Surcredit* (Ky. PSC Nov. 10, 2020), Order.

⁴⁴ Case No. 2020-00350, *Electronic Application of Louisville Gas and Electric Company for and Adjustment of its Electric and Gas Rates, a Certificate of Public Convenience and Necessity to Deploy*

current and proposed rates for each type of residential service and the electric and gas rate classes broken down by average usage, annual dollar increase, annual percentage increase, monthly bill increase, and monthly bill percentage increase. The notice also included more specific descriptions of proposed tariff changes, new rate schedules, and proposed changes to the terms and conditions for electric service. The Commission also expects the abbreviated notice to include a direct URL to the full notice. This specific URL should make it easy for anyone reading the notice to search using the web address bar.⁴⁵ The notice should also reflect to the most recent quarterly changes to gas rates.

Finally, as required by 807 KAR 5:0001 Section 17(1)(b), a full copy of the notice should be posted on LG&E/KU's webpage and include a hyperlink to the location on the Commission's website where case documents and tariff filings are available.

Deviation from 807 KAR 5:001, Section 16

Having considered the motion and being otherwise sufficiently advised, the Commission finds that LG&E/KU's motion to deviate from 807 KAR 5:001, Section 16(7) filing requirements: most recent FERC audit report; most recent FERC Form 1 (Electric); SEC's annual report (Form 10-K) for the most recent two years; any Form 8-K issued in the last two years; and any Form 10-Q issued during the past six quarters, should be denied. While the Commission appreciates the cumbersome nature of uploading these documents electronically, LG&E/KU has not shown good cause for this request. These documents are required by regulation and, once filed, will be in the custody and control of the Commission.

Advanced Metering Infrastructure, Approval of Certain Regulatory and Accounting Treatments, and Establishment of a One-Year Surcredit (Ky. PSC Nov. 10, 2020), Order.

⁴⁵ For example, LG&E/KU could use a URL such as www.lge-ku.com/2025ratecase.

IT IS THEREFORE ORDERED that:


1. LG&E/KU's Motion to Deviate is denied.
2. LG&E/KU is granted leave to refile on the deviations related to notice in compliance with the requirements set forth in the body of this Order.

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PUBLIC SERVICE COMMISSION

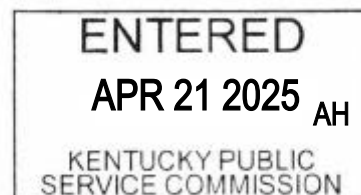

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