

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC JOINT APPLICATION OF	)	
KENTUCKY UTILITIES COMPANY AND	)	CASE NO.
LOUISVILLE GAS AND ELECTRIC COMPANY	)	2026-00077
FOR APPROVAL OF MERGER	)	

COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION  
TO KENTUCKY UTILITIES COMPANY  
AND LOUISVILLE GAS AND ELECTRIC COMPANY

Kentucky Utilities Company (KU) and Louisville Gas and Electric Company (LG&E) (jointly, LG&E/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 May 29, 2026. The Commission directs LG&E/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

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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).

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

LG&E/KU shall make timely amendment to any prior response if LG&E/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 LG&E/KU fails or refuses to furnish all or part of the requested information, LG&E/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, LG&E/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 Case No. 2025-00113,<sup>2</sup> February 16, 2026 Order, page 149 and Case No. 2025-00114,<sup>3</sup> February 16, 2026 Order, page 158 referring to final ownership percentages. Refer also to LG&E/KU's response to Commission Staff's Second Request for Information (Staff's Second Request), Item 39. Explain whether, like the FAC and OSS mechanisms, LG&E/KU will utilize pre-merger asset ownership percentages for Mill Creek 5, Marion Solar, and Mercer Solar for purposes of the Pilot Generation Recovery Adjustment Clause (Adjustment Clause PGR) if the Commission approves LG&E/KU's merger request. If not, explain how LG&E/KU plans to determine ownership percentages if the Commission approves the merger.

2. In the event the Commission approves LG&E/KU's application, explain whether prospective special contract customers or customers receiving service on the extremely high load factor (EHLF) will be considered LG&E customers and take service pursuant to LG&E's tariff. If so, explain how the cost to serve will be allocated. If not, explain how the determination will be made for the applicable service tariff.

3. Explain whether LG&E gas operations will expand to the merged territory.

4. Explain whether LG&E gas operations will be compliant with all federal pipeline safety regulations and statutes upon assuming the KU territory.

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<sup>2</sup> Case No. 2025-00113, *Electronic Application of Kentucky Utilities Company for An Adjustment of Its Electric Rates and Approval of Certain Regulatory and Accounting Treatments* (Ky. PSC Feb. 16, 2026), Order at 149.

<sup>3</sup> Case No. 2025-00114, *Electronic Application of Louisville Gas and Electric Company for An Adjustment of Its Electric and Gas Rates and Approval of Certain Regulatory and Accounting Treatments* (Ky. PSC Feb. 16, 2026), Order at 158.

5. Refer to LG&E and KU's response to Staff's Second Request, Item 5. Provide the citation to the request or approval to apply those depreciation rates to the Environmental Compliance tariff as well as the demand side management filings.

6. Refer to the Direct Testimony of Robert M. Conroy (Conroy Direct Testimony), pages 11-12.

a. Provide the complete Power Supply System Agreement (PSSA) and Transmission Coordination Agreement (TCA). Include as part of the response, any amendments, supplements, modifications, restatements or replacements made to the PSSA and/or the TCA in the last five years.

b. Provide, for calendar years 2020 through 2025, annual settlement statements and/or LG&E/KU's equivalent internal reconciliation documents that detail revenue allocations for each company under the PSSA and TCA.

c. Explain in detail what methodology LG&E/KU propose to use to calculate the PSSA and TCA for the newly merged entity and Old Dominion Power. As part of the response, explain in detail how the resulting LG&E rate districts will function with regard to the PSSA and TCA.

7. Refer to LG&E/KU's response to Staff's Second Request, Item 4. Explain whether the authorized debt of one quintillion dollars was approved by the Commission. If so, provide the case number and Order reference for approval. If not, explain why not.

8. Refer to LG&E/KU's response to Staff's Second Request, Item 4. Provide a detailed explanation of the following phrase: "limiting the maximum outstanding debt to approximately 66 percent of the value of LG&E and KU pledged assets under to each

indenture, being substantially all their real and tangible personal property.” Include quantitative examples of this statement for at least three evidences of indebtedness.

9. Provide a reconciliation, in Excel format with all formulas accessible and unprotected, comparing (a) the cost and revenue allocations between LG&E and KU that the PSSA and TCA produced for each of calendar years 2023, 2024, and 2025) the cost and revenue allocations that the Companies' proposed post-merger rate-district methodology would have produced for the same years, had it been in effect.

a. For each line item, identify the dollar difference and indicate which rate district (or jurisdiction) bears more, or less, cost, and which receives more, or less, revenue under the proposed methodology compared to the PSSA/TCA.

b. To the extent the proposed methodology produces material differences from the PSSA/TCA outcomes, explain the policy basis for the change and identify which customer classes within each rate district experience the resulting impact.

c. If LG&E/KU have not performed such a reconciliation, explain why not.

10. Refer to Case Nos. 2022-00402<sup>4</sup> and 2025-00045.<sup>5</sup> For each case identify all approved construction projects, provide their expected in-service date, the updated expected total cost, and the current cost allocation between LG&E and KU. As part of

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<sup>4</sup> Case No. 2022-00402, *Electronic 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), final Order.

<sup>5</sup> Case No. 2025-00045, *Electronic Application of Kentucky Utilities Company and Louisville Gas and Electric Company for Certificates of Public Convenience and Necessity and Site Compatibility Certificates* (Ky. PSC Oct. 28, 2025), final Order.

the response, explain how each rate class will be impacted when rates are harmonized between LG&E and KU.

11. Provide a detailed explanation regarding how costs are allocated between LG&E, KU, and Old Dominion Power, for personnel and resources that are owned by one entity but utilized by another: for example, during storm restoration efforts. As part of the response provide a detailed explanation regarding how those costs will be allocated after the merger, but prior to rate harmonization as well as after the merger and after rate harmonization.

12. Refer to LG&E/KU's response to Staff's Second Request, Item 33. Provide all documents regarding any filings with the Virginia State Corporation Commission and the Federal Energy Regulatory Commission (FERC) that relate in any way to the proposed merger of LG&E and KU. As part of the response, state when LG&E/KU anticipate submitting any relevant filings with the FERC. This is an ongoing request.

13. Refer to the Direct Testimony of Christopher M. Garrett (Garrett Direct Testimony), Exhibit CMG-1 in Case Nos. 2025-00113 and 2025-00114. Provide a detailed explanation regarding why LG&E/KU did not conduct analysis regarding the financial impact of rate equalization harmonization by rate class, as it had done in previous merger studies ordered by the Commission.

14. Provide a detailed explanation regarding how LG&E/KU will approach future debt issuance, including whether LG&E/KU plans to issue debt through LG&E and KU Energy, LLC (LKE). As part of the response, provide the current Moody's and S&P ratings for LG&E, KU, and LKE.

15. State whether Old Dominion Power will be required to undergo any rate harmonization in future rate cases if the merger is approved.

16. Refer to Direct Testimony of Daniel Johnson (Johnson Direct Testimony) in Case Nos. 2025-00113 and 2025-00114, pages 18 and 20-22. State whether the expected capital expenditures for each “value stream” for LG&E and KU remain accurate. If not, provide a detailed explanation as to why and provide the updated expected capital expenditures.

17. Refer to LG&E/KU’s response to Staff’s Second Request, Item 22. State whether LG&E/KU would incur \$17-20 million in estimated IT costs if LG&E/KU did not merge and did not plan to merge.

18. Refer to LG&E/KU’s response to Staff’s Second Request, Item 22. Confirm those costs will be incurred regardless if the Commission if denies the merger. If not confirmed, explain the response.

19. Refer to the Application generally. If the Commission approves the merger, but the IT integration encounters delays or budget overruns, explain the specific protections in place to ensure that these avoided costs do not eventually manifest as higher-than-expected implementation costs for ratepayers.

20. Refer to Conroy’s Direct Testimony, pages 15-16. Explain what amortization period will be utilized if LG&E/KU are granted regulatory asset accounting authority for merger costs.

21. Refer to LG&E/KU’s response to Staff’s Second Request, Item 1, footnote 3. Provide the expected incremental bondholder consent fees. Include an updated chart

that includes the expected incremental bondholder consent fees in the “Costs to Achieve” column.

22. Refer to LG&E/KU’s response to Staff’s Second Request, Item 1. Identify each outstanding debt instrument issued by LG&E and KU for which a consent, amendment, or supplemental indenture would be required in connection with the proposed merger. The response should include, at minimum, the principal amount outstanding, the issue date, the maturity date, and any change-of-control or merger-restriction covenants.

23. Refer to LG&E/KU’s response to the Attorney General’s First Request for Information (Attorney General’s First Request), Item 1. Compare the scope of the IT upgrades, and the costs of those upgrades, assuming the following three scenarios: (1) the merger is approved, (2) the merger is delayed until at least 2028, (3) and the merger never occurs. If no prior analysis or studies have been completed, conduct the necessary analysis to fully respond to this request.

24. Refer to LG&E/KU’s response to the Attorney General’s First Request, Item 7. State what the expected allocation of IT upgrade costs would be between LG&E and KU if the merger does not occur for any reason.

25. Identify all wholesale energy contract customers of LG&E and KU and which utility they take service from. State whether the proposed merger will affect any of the following: terms of service, pricing, or availability of service for each wholesale customer. For any affected wholesale customer, provide a detailed explanation regarding how that customer will be affected. As part of the response, state whether the proposed merger would allow, or require, the current agreement with any wholesale customer to be

renegotiated, for novation to occur, or would allow either party to terminate the wholesale agreement.

26. Identify all franchise customers of LG&E and KU and which utility they take service from. State whether the proposed merger will affect any of the following: terms of service, pricing, or availability of service for each wholesale customer. For any affected wholesale customer, provide a detailed explanation regarding how that customer will be affected. As part of the response, state whether the proposed merger would allow, or require, the current agreement with any franchise customer to be renegotiated, for novation to occur, or would allow either party to terminate the agreement.

27. Provide a detailed explanation regarding how LG&E/KU's Open Access Transmission Tariff (OATT) would be impacted by the proposed merger. Include in the response how the tariff currently operates with respect to both utilities and how revenues and costs are allocated between LG&E and KU

28. Provide the costs and revenues relating to the OATT for LG&E and KU for each year beginning in 2020 through 2025.

29. Identify each demand side management (DSM) program operated by LG&E and KU. State whether the proposed merger will affect either LG&E and KU's program in scope, design, or budget.

30. Provide a detailed explanation regarding how the proposed merger will affect net metering customers in LG&E and KU's territory. As part of the response, state how many customers in each territory are currently net metering customers.

31. Provide a detailed explanation regarding how the proposed merger will affect qualifying facility customers in LG&E and KU's territory.

32. For both LKE, and separately, PPL and its subordinate affiliates that are not LKE, identify each shared service provided to LG&E and KU, the annual dollar amount of the service provided for the most recent 5 years, and how costs are allocated to LG&E and KU and ODP.

33. Refer to LG&E/KU's response to the Attorney General's First Request, Item 28.

a. Provide a detailed explanation about how tax benefits and liabilities are currently allocated from PPL and LKE to LG&E and KU and ODP.

b. Explain in detail how LG&E, KU, and ODP will be affected post-merger as it relates to PPL and LKE's tax allocation methodology. Include in the explanation a comparison for each utility that shows in real dollars the tax implications pre-merger and post-merger.

34. Identify every reliability metric LG&E and KU and ODP that is currently measured, including, but not limited to, the system average interruption frequency index (SAIFI), system average interruption duration index (SAIDI), customer average interruption index (CAIDI), and momentary average interruption index (MAIFI). As part of the response, state how each reliability metric will be impacted post-merger for each utility, including whether any utility will be negatively impacted by any changes to any of the reliability metrics.

35. Refer to LG&E/KU's response to Louisville/Jefferson County Metro Government and Lexington-Fayette Urban County Government's Initial Requests for Information, Item 5. Provide the rate impact, based on LG&E/KU's most recent rate

cases, for each rate class if LG&E/KU realize \$200,000 in estimated savings in a future base rate case.

36. State whether merging will affect LG&E and KU's storm response protocols for either utility. If yes, explain in detail how.



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DATED   **MAY 21 2026**  

cc: Parties of Record

Case No. 2026-00077

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