

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF LOUISVILLE)	
GAS AND ELECTRIC COMPANY FOR AN)	
ADJUSTMENT OF ITS ELECTRIC AND GAS)	CASE NO.
RATES AND APPROVAL OF CERTAIN)	2025-00114
REGULATORY AND ACCOUNTING)	
TREATMENTS)	

ORDER

This matter arises from Louisville Gas & Electric Company 's (LG&E) application for a general rate adjustment based on a forecasted test period. LG&E's application was deemed filed as of May 30, 2025.¹ On June 18, 2025, the Commission issued an Order suspending LG&E's proposed electric and gas rates for five months up to and including December 31, 2025, and establishing a procedural schedule.²

The following parties were granted intervention in the matter: the Attorney General, by and through the Office of Rate Intervention,³ Kentucky Industrial Utilities Customers (KIUC),⁴ Walmart Inc.,⁵ Kroger,⁶ Louisville Metro government,⁷ United States Department

¹ Order (Ky. PSC June 16, 2025).

² Order (Ky. PSC June 18, 2025).

³ Order (Ky. PSC May 27, 2025).

⁴ Order (Ky. PSC June 10, 2025).

⁵ Order (Ky. PSC July 2, 2025).

⁶ July. 2, 2025 Order.

⁷ July 2, 2025 Order.

of Defense and all other Federal Executive Agencies,⁸ Kentucky Solar Industries Association, Inc.,⁹ Kentucky Broadband and Cable Association (KBCA),¹⁰ Sierra Club,¹¹ Kentuckians for the Commonwealth, Kentucky Solar Energy Society and Mountain Association (jointly, Joint Intervenors)¹².

On August 25, 2025, LG&E revised its revenue requirement, increased the required revenue increase for both its electric and its gas division, but explicitly stated it did not intend to amend its application.¹³ A Stipulation Agreement was reached between all but three parties, Joint Intervenors, KYSEIA, and KBCA.¹⁴ The signatory parties agreed that LG&E's electric retail revenues should be increased by \$57,800,000 as well as resolution to numerous other issues raised in the application.¹⁵ The signatory parties agreed that LG&E's gas retail revenues should be increased by \$44,800,000.¹⁶ An evidentiary hearing was held November 3, 2025 through November 6, 2025.

On December 8, 2025, LG&E filed a notice stating that it intended to place rates proposed in and, as a result of, the Stipulation Agreement into effect for service rendered

⁸ Order (Ky. PSC July 1, 2025).

⁹ July 2, 2025 Order.

¹⁰ July 1, 2025 Order.

¹¹ July 2, 2025 Order.

¹² Order (Ky. PSC July 3, 2025).

¹³ KU's Supplemental Response to Commission Staff's First Request, Item 3 and Item 14 (filed Aug. 25, 2025).

¹⁴ Stipulation (filed Oct. 10, 2025).

¹⁵ Stipulation (filed Oct. 10, 2025) at 4.

¹⁶ Stipulation (filed Oct. 10, 2025) at 10.

on and after January 1, 2026.¹⁷ However, LG&E also noted that, should the Commission disagree, LG&E would instead implement the rates proposed in the application.¹⁸ In addition, LG&E requested an informal conference to discuss the implementation of rates.¹⁹

KRS 278.190(2) allows the Commission to suspend a utility's proposed rates pending a hearing and decision on the rates for up to 5 months if a historical test period is used: "[i]f the proceeding has not been concluded and an order made at the expiration of five (5) months . . . , the utility may place the proposed change of rate, charge, classification, or service in effect at the end of that period after notifying the commission, in writing, of its intention so to do." The Commission may require a utility that provides such notice to maintain records that will allow the utility, the Commission, or any customer to determine the amounts to be refunded, and to whom, in the event a refund is ordered upon final resolution of the case. Further, upon final resolution, the Commission may order a refund to the extent the rates approved in the final Order are lower than rates proposed by the utility and placed into effect pursuant to KRS 278.190(2).

While the Commission understands why LG&E would seek to place rates consistent with the Stipulation into effect pending a final decision, doing so is inconsistent with KRS 278.190(2), which contemplates a utility proposing a schedule adjusting rates; the Commission suspending the proposed rates, if necessary, for a period pending a final decision; and the utility placing the proposed rates into effect, subject to refund, at the

¹⁷ Notice of Implementation of Rates (filed Dec. 8, 2025).

¹⁸ Notice of Implementation of Rates (filed Dec. 8, 2025).

¹⁹ Notice of Implementation of Rates (filed Dec. 8, 2025).

end of the suspension period. Further, KRS 278.190(2) only permits a utility to place rates that have been proposed and suspended into effect pending a final decision after providing the Commission written notice of its intention to do so. Written notice to the Commission of LG&E's intent to put rates consistent with those in the Stipulation into effect does not satisfy that condition, because the Stipulation rates are not the rates proposed pursuant to KRS Chapter 278 and suspended pursuant to KRS 278.190(2).

Thus, the Commission finds that LG&E's notice to the Commission is deficient pursuant to KRS 278.190(2) such that LG&E has not satisfied the condition precedent necessary for it to place its proposed Stipulation rates into effect subject to refund. In contrast, the Commission finds that LG&E, pursuant to KRS 278.190(2), has satisfied the notice requirement necessary to place the rates proposed in its original Application into effect.

While the Commission intends to issue a final Order in this matter by February 13, 2025. The Commission notes that, while LG&E may implement its proposed Application rates in effect prior to the entry of the final Order, LG&E is not required to implement rates. If LG&E decides to implement the rates proposed in its Application on or after January 1, 2026, the Commission finds that LG&E should be required to maintain records that will allow it, the Commission, and any customer to determine the amounts to be refunded, and to whom, in the event a refund is ordered upon final resolution of the case.


The Commission also finds that the request for an informal conference should be denied as moot. Although, the Commission appreciates LG&E's willingness to meet with Commission Staff, the utility makes the decision regarding implementation of the proposed rates, and the Commission has issued its findings herein the Order.

IT IS THEREFORE ORDERED that,

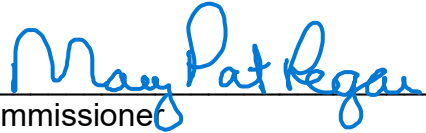
1. LG&E has failed to satisfy the condition precedent necessary to place its proposed Stipulation rates into effect subject to KRS 278.190(2).
2. LG&E may implement rates as proposed in its Application on or after January 1, 2026, pending the final resolution of this matter pursuant to KRS 278.190(2).
3. The request for an informal conference is denied as moot.
4. LG&E shall maintain its records in such manner as will allow it, the Commission, or any customer to determine the amounts to be refunded, and to whom, in the event a refund is ordered upon final resolution of this matter.

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