

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

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

Louisville Gas and Electric Company (LG&E) and Kentucky Utilities Company (KU) (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 April 24, 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.

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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).

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 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 obtain 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 fail or refuse to furnish all or part of the requested information, LG&E/KU shall provide a written explanation of the specific grounds for their 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 LG&E/KU's Joint Petition for Reconsideration, page 14. Explain what LG&E/KU means by "prepare for and implement" a change from capitalization to rate base.

2. Confirm that a capitalization plant valuation that is higher than a rate base plant valuation is at least partially attributable to the financing of operating expenses. If confirmed, explain why LG&E/KU should earn a return on operating expenses based on its full weighted average cost of capital (WACC). If unable to confirm, please explain. Please provide reference to any supporting documentation in the case record necessary to assist in explaining the response.

3. Refer to LG&E/KU's Joint Petition for Reconsideration, page 14. Provide a breakdown of regulatory assets and regulatory liabilities and the corresponding cases in which they were approved, including the beginning and current balance and the monthly amortization amount of each regulatory asset. Provide this response separately for KU and LG&E, with separation further for LG&E's electric and gas operations. Provide this response in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

4. Refer to LG&E/KU's Joint Petition for Reconsideration, page 15. Refer also to LG&E/KU's supplemental response to Commission Staff's First Request for Information (Staff's First Request), Item 54, Schedule B-6. Explain whether LG&E/KU included accumulated deferred income taxes (ADIT) related to regulatory assets and liabilities in rate base. If so, provide the location in the record and amount of ADIT related to regulatory assets and liabilities included in rate base and the rationale for that inclusion when the underlying regulatory assets and liabilities were excluded.

5. Refer to LG&E/KU's Joint Petition for Reconsideration, page 15. Provide the location in the record and amount of ADIT related to regulatory assets and regulatory liabilities included in rate base.

6. Refer to LG&E/KU's Joint Petition for Reconsideration, page 18. Provide a breakdown of \$7.5 million for the Mill Creek 2 stay open costs incurred before the Commission's February 16, 2026, Order by FERC account and by expense type. In the response, include the actual amounts associated with operations and maintenance expenses and capital investment, as well as a description of the expense category. Provide this response in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

7. Refer to LG&E/KU's Joint Petition for Reconsideration, page 17. State where LG&E/KU requested regulatory asset treatment for these costs in this case.

8. Provide LG&E's earned return on equity (ROE) for the period when the Mill Creek 2 stay open costs were incurred, with and without the stay open costs. Provide this response in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

9. Refer to LG&E/KU's Joint Petition for Reconsideration, page 21. Provide a breakdown of the \$761,526 paperless billing expense for KU and LG&E's electric and gas operations. In the response, include the amounts associated with the increase to LG&E/KU's paperless billing expense separately for KU and LG&E's electric and gas operations, as well as the account in which each expense falls. Provide the response in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

10. Refer to the Joint Petition for Reconsideration, page 22, line 2, which states, “[t]he Companies explained that RSUs are an employee retention tool.”

a. Explain the basis for including employee retention-related costs in the revenue requirement. Specifically, explain how LG&E/KU justifies recovery of these costs from ratepayers rather than absorbing them as part of normal business risk borne by shareholders.

b. Provide evidence of historically demonstrated, measurable benefits of this tool to ratepayers, and explain how those benefits outweigh or exceed those realized by other stakeholders.

c. State whether the Commission has previously approved similar proposals, and if so, provide relevant case references. Identify if the proposal was part of an accepted settlement of a case or a fully litigated case.

11. Refer to LG&E/KU’s Joint Petition for Reconsideration, page 23. Explain why LG&E/KU cannot request deferral as the implementation costs are incurred.

12. Refer to LG&E/KU’s Joint Petition for Reconsideration, page 27. Refer also to the Stipulation and Recommendation, pages 7 and 10.

a. Provide the calculation for how LG&E/KU arrived at its “Filed revenue requirement increase as adjusted” in the Stipulation and Recommendation for both electric and gas operations. Provide the calculation in Excel spreadsheet format with all formulas, columns, and rows unlocked and fully accessible.

13. Refer to LG&E/KU’s Joint Petition for Reconsideration, page 26 at paragraph XIII.

a. For KU's electric operations and LG&E's gas and electric operations, provide updated calculations of miscellaneous revenues shown in Schedule M that account of the Commission's approved rates and charges in its March 27, 2026 Order in Excel spreadsheet format with all formulas, columns, and rows unlocked and fully accessible.

b. Explain in detail how the miscellaneous revenues contained in Schedule M are calculated.

c. Prove the rationale for any changes to the miscellaneous revenues shown in Schedule M.

14. Refer to LG&E/KU's Joint Petition for Reconsideration, page 26 at paragraph XIII. Also refer to the Stipulation Testimony Exhibit 3 – KU Revised Depreciation Rates.xlsx, Summary Tab at Adjustment 1B.

a. Confirm that KU is requesting a total revenue requirement reduction of approximately \$2.082 million for the removal of terminal net salvage associated with E.W. Brown Unit 3 as reflected in Stipulation Testimony Exhibit 3. If not, explain why not.

b. Explain why the adjustment to remove terminal net salvage from E.W. Brown Unit 3 was separated from the adjustment to remove terminal net salvage from KU's thermal generating units.

15. Refer to LG&E/KU's Petition for Reconsideration, page 9-11. Provide the estimated bill impact for KU and LG&E customers in both dollar amount and percentages per class resulting from the Sharing Mechanism Adjustment Clause.

16. Refer to LG&E/KU's Petition for Reconsideration at page 15, footnote 32. Provide the calculations and breakdown of the \$11.0 million to reflect the inclusion of

regulatory assets and regulatory liabilities in rate base and the \$2.7 million ADIT mismatch in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

17. Refer to LG&E/KU's Petition for Reconsideration, page 13. Explain why LG&E/KU interprets the move to a rate base valuation to be equivalent to the disallowance of \$244 million of invested capital. Indicate which investments LG&E/KU thinks the Commission is disallowing and reference where in the Final Order the Commission orders the disallowance of specific investments.

18. Refer to LG&E/KU's Joint Petition for Reconsideration, page 18. Provide the amount of MC2 stay open costs that LG&E/KU believes are a one-time expense and the amount that LG&E/KU expects to be recurring expenses, as well as supporting rationale for that determination. For the portion of MC2 stay open costs that are considered a one-time expense, explain how LG&E/KU proposes that the Commission should grant recovery to ensure revenues associated with those expenses are not embedded into base rates on an ongoing basis.

19. Refer to LG&E/KU's Joint Petition for Reconsideration, page 21, LG&E/KU's response to Commission Staff's Fifth Request for Information, Item 3, and LG&E/KU's response to the Attorney General/KUIC's First Request for Information, Question 48(a).

a. Explain why LG&E/KU assume that 41 percent of new customers would not opt-out when defaulted to paperless billing when it assumed in its direct case that 75 percent of existing customers defaulted to paperless billing would not opt out

b. Provide an updated version of the Attachment to Staff DR5-3, assuming 75 percent of new customers do not opt out of paperless billing, and the needed revenue requirement increase to the Commission's final authorized revenue requirement based on that assumption for KU Electric, LG&E Electric, and LG&E Gas.

 

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DATED **APR 10 2026** \_\_\_\_\_

cc: Parties of Record

Case No. 2025-00113  
Case No. 2025-00114

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